

A. 1

1 R. AZERAD

2 UNITED STATES BANKRUPTCY COURT

3 SOUTHERN DISTRICT OF NEW YORK

4 -----X

5 In Re:

6 Chapter 11

7 LEHMAN BROTHERS

Case No. 08-13555(JMP)

8 HOLDINGS, INC., et al., (Jointly Administered)

9 Debtors.

10 -----X

11 *REVISED*

12 DEPOSITION OF ROBERT AZERAD

13 New York, New York

14 August 17, 2009

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23 Reported by:

24 KATHY S. KLEPFER, RMR, RPR, CRR, CLR

25 JOB NO. 24041

1 R. AZERAD

2 August 17, 2009

3 9:29 a.m.

4
5
6 Deposition of ROBERT AZERAD, held at Jones Day
7 LLP, 222 East 41st Street, LLP, New
8 York, New York, before Kathy S.
9 Klepfer, a Registered Professional
10 Reporter, Registered Merit Reporter,
11 Certified Realtime Reporter, Certified
12 Livenote Reporter, and Notary Public
13 of the State of New York.
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1 R. AZERAD

2
3 A P P E A R A N C E S:

4 JONES DAY, LLP

5 Attorneys for Lehman Brothers, Inc.

6 222 East 41st Street

7 New York, New York 10017-6702

8 BY: JAYANT W. TAMBE, ESQ.

9 KELLY A. CARRERO, ESQ.

10
11 BOIES, SCHILLER & FLEXNER, LLP

12 Attorneys for Barclays and the Witness

13 575 Lexington Avenue - 7th Floor

14 New York, New York 10022

15 BY: JACK G. STERN, ESQ.

16
17 QUINN, EMANUEL, URQUHART, OLIVER & HEDGES, LLP

18 Attorneys for the Creditors Committee

19 51 Madison Avenue

20 22nd Floor

21 New York, New York 10010

22 BY: JAMES C. TECCE, ESQ.

23

24

25

1 R. AZERAD

2 A P P E A R A N C E S: (Cont'd.)

3
4 JENNER & BLOCK, LLP

5 Attorneys for the Examiner

6 330 N. Wabash Avenue

7 Chicago, Illinois 60611-7603

8 BY: DAVID C. LAYDEN, ESQ.

9
10 HUGHES, HUBBARD & REED, LLP

11 Attorneys for the SIPA Trustee

12 One Battery Park Plaza

13 New York, New York 10004-1482

14 BY: NEIL J. OXFORD, ESQ.

15 SETH D. ROTHMAN, ESQ.

16 AMINA HASSAN, ESQ.

17
18
19 Also Present:

20 RAJESH ANKALKOTI, Alvarez & Marsal

21

22

23

24

25

1 R. AZERAD

2 ROBERT AZERAD, called as a
3 witness, having been duly sworn by a Notary
4 Public, was examined and testified as
5 follows:

6 EXAMINATION BY

7 MR. TAMBE:

8 Q. Good morning, Mr. Azerad. My name is
9 Jay Tambe. I'm with Jones Day and we are
10 special counsel to Lehman Brothers Holding, Inc.
11 With me is my colleague Kelly Carrero.

12 I will let the other lawyers around
13 the table introduce themselves and what parties
14 they represent and then we can get started.

15 A. Okay.

16 MR. ROTHMAN: I'm Seth Rothman. I
17 represent the Trustee under the SIPA
18 statute.

19 MR. OXFORD: Neil Oxford with Hughes,
20 Hubbard & Reed, a colleague with Seth
21 Rothman.

22 MR. TECCE: Good morning. James Tecce
23 of Quinn Emanuel, Committee counsel.

24 MS. HASSAN: Amina Hassan from Hughes,
25 Hubbard & Reed.

1 R. AZERAD

2 MR. LAYDEN: David Layden with Jenner

3 & Block for the Examiner.

4 BY MR. TAMBE:

5 (The following portions have been removed due to their

6 Confidentiality designations:

7 Page 6, Line 5 through Page 13, Line 15 (Highly Confidential);

8 Page 13, Line 16 through Page 24, Line 10 (Confidential);

9 Page 24, Line 11 through Page 28, Line 17 (Highly Confidential);

10 Page 28, Line 18 through Page 34, Line 14 (Confidential);

11 Page 34, Line 15 through Page 137, Line 3 (Highly Confidential);

12 Page 137, Line 4 through Page 144, Line 6 (Confidential);

13 Page 144, Line 7 through Page 226, Line 23 (Highly Confidential);

14 Page 226, Line 24 through Page 231, Line 13 (Confidential).

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18 (Transcript is continued on Pg. 231, Line 14)
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(Time Noted: 5:29 P.M.)

oOo

ROBERT AZERAD

Subscribed and sworn to
before me this day
of 2009.

1 R. AZERAD

2 CERTIFICATE

3 STATE OF NEW YORK)

4 : ss

5 COUNTY OF NEW YORK)

6 I, Kathy S. Klepfer, a Registered
7 Merit Reporter and Notary Public within and
8 for the State of New York, do hereby
9 certify:

10 That ROBERT AZERAD, the witness whose
11 deposition is herein before set forth, was
12 duly sworn by me and that such deposition is
13 a true record of the testimony given by such
14 witness.

15 I further certify that I am not
16 related to any of the parties to this action
17 by blood or marriage and that I am in no way
18 interested in the outcome of this matter.

19 I further certify that neither the
20 deponent nor a party requested a review of
21 the transcript pursuant to Federal Rule of
22 Civil Procedure 30(e) before the deposition
23 was completed.

24 In witness whereof, I have hereunto
25 set my hand this 17th day of August, 2009.

R. AZERAD

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R. AZERAD

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R. AZERAD

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R. AZERAD

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R. AZERAD

NAME OF CASE: In re Lehman Brothers

DATE OF DEPOSITION: August 17, 2009

NAME OF WITNESS: Robert Azerad

Reason Codes:

1. To clarify the record.
2. To conform to the facts.
3. To correct transcription errors.

Page _____ Line _____ Reason _____
From _____ to _____

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ROBERT AZERAD

A. 2

1 S. BERKENFELD

2 UNITED STATES BANKRUPTCY COURT

3 SOUTHERN DISTRICT OF NEW YORK

4 -----x

5 In Re:

6 Chapter 11

7 LEHMAN BROTHERS

Case No. 08-13555(JMP)

8 HOLDINGS, INC., et al., (Jointly Administered)

9 Debtors.

10 -----x

11
12
13 DEPOSITION OF STEVEN BERKENFELD

14 New York, New York

15 August 6, 2009

16
17
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20
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22
23 Reported by:

24 KATHY S. KLEPFER, RMR, RPR, CRR, CLR

25 JOB NO. 24035

1 S. BERKENFELD

2 August 6, 2009

3 9:30 a.m.

4
5
6 Deposition of STEVEN BERKENFELD, held at
7 Jones Day, LLP, 222 East 41st Street, LLP,
8 New York, New York, before Kathy S.
9 Klepfer, a Registered Professional
10 Reporter, Registered Merit Reporter,
11 Certified Realtime Reporter, Certified
12 Livenote Reporter, and Notary Public
13 of the State of New York.

1 S. BERKENFELD

2
3 A P P E A R A N C E S:
4

5 JONES DAY, LLP

6 Attorneys for Lehman Brothers, Inc.

7 222 East 41st Street

8 New York, New York 10017-6702

9 BY: ROBERT W. GAFFEY, ESQ.

10 BRIDGET CRAWFORD, ESQ.
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12 BOIES, SCHILLER & FLEXNER, LLP

13 Attorneys for Barclays Capital

14 and the Witness

15 575 Lexington Avenue - 7th Floor

16 New York, New York 10022

17 BY: JACK G. STERN, ESQ.
18
19
20
21
22
23
24
25

1 S. BERKENFELD

2 A P P E A R A N C E S: (Cont'd.)

3 QUINN, EMANUEL, URQUHART, OLIVER & HEDGES, LLP

4 Attorneys for the Creditors Committee

5 865 S. Figueroa Street, 10th Floor

6 Los Angeles, California 90017

7 BY: ERICA P. TAGGART, ESQ.

8
9 JENNER & BLOCK, LLC

10 Attorneys for the Examiner

11 330 N. Wabash Avenue

12 Chicago, Illinois 60611-7603

13 BY: ROBERT L. BYMAN, ESQ.

14
15 HUGHES, HUBBARD & REED, LLP

16 Attorneys for the SIPA Trustee

17 One Battery Park Plaza

18 New York, New York 10004-1482

19 BY: NEIL J. OXFORD, ESQ.

20 AMINA HASSAN, ESQ.

21 JOHN F. WOOD, ESQ.

22
23 Also Present:

24 THOMAS E. HOMMEL, Lehman Brothers

25 PHILIP E. KRUSE, Alvarez & Marsal

1 S. BERKENFELD

2 (Witness sworn.)

3 MR. STERN: I should just state on the
4 record before we start that, in terms of
5 confidentiality, we on behalf of Barclays
6 will designate this transcript as highly
7 confidential for today, and then within
8 seven days of receipt of the transcript we
9 will designate appropriate sections as
10 either highly confidential, confidential, or
11 not confidential.

12 MR. GAFFEY: I think, you know, we
13 can -- that's the agreement from Felder.
14 Let's do that for all of these.

15 MR. STERN: Agreed.

16 MR. GAFFEY: Everybody agree to that?

17 STEVEN BERKENFELD, called as a
18 witness, having been duly sworn by a Notary
19 Public, was examined and testified as
20 follows:

21 EXAMINATION BY

22 MR. GAFFEY:

23 Q. Good morning, Mr. Berkenfeld.

24 A. Good morning.

25 Q. We met briefly before. My name is Bob

1 S. BERKENFELD

2 Gaffey. I'm with Jones Day. We're special
3 counsel to the estate of Lehman Brothers
4 Holdings, Inc.

5 As you know, the topics that we're
6 going to address today will revolve around the
7 transaction that took place in September of 2008
8 in which Barclays purchased certain assets of
9 Lehman Brothers Holdings, Inc. and LBI.

10 Let me get some background information
11 on you first, sir. You're qualified as a
12 lawyer; is that correct?

13 A. Yes.

14 Q. Columbia Law School?

15 A. Yes.

16 Q. Is your license up to date? Do you
17 maintain an active registration?

18 A. Yes, I believe my registration is up
19 to date.

20 Q. There was a time when you worked for
21 Lehman. Can you give me a brief resumé of your
22 Lehman career? When you started, when you left,
23 and what titles you held?

24 A. I started in January of 1987 and was
25 there through the transaction. I had many

1 S. BERKENFELD

2 titles, but at the time of the transaction, I
3 was a managing director.

4 Q. And what was your area of
5 responsibility when you were a managing
6 director?

7 A. There were, over the years, there were
8 a number of different areas of responsibility.

9 Q. Okay. Give me, if you would, the last
10 category before you left Lehman. I'm obviously
11 particularly interested in September of 2008,
12 but that segment.

13 A. I was chairman of the, what we
14 referred to as the Transaction Approval
15 Committees, I was Chief Investment Officer for
16 the Private Equity Division, and I was head of
17 the Legal, Compliance and Audit Division.

18 Q. And were you head of the Legal,
19 Compliance and Audit Division in September of
20 2008?

21 A. Yes.

22 Q. And just for completeness, before
23 Lehman, you were an associate at Fried Frank,
24 correct?

25 A. Yes.

1 S. BERKENFELD

2 Q. And were essentially involved in
3 mergers and acquisitions?

4 A. Yes.

5 Q. Now, you said that you held these
6 positions at Lehman through the transaction.
7 When exactly did you leave the employ of --
8 actually, withdrawn.

9 Were you employed by Lehman Brothers
10 Holdings, Lehman Brothers, Inc., some
11 combination of both? What was the entity that
12 employed you?

13 A. I don't know.

14 Q. Okay. And when exactly did you leave
15 the employ of Lehman?

16 A. That's actually a good question,
17 because it's not really precise. I don't know
18 that I could give you a specific date on that.

19 MR. STERN: You can describe why it's
20 not precise.

21 A. There was everything from -- there was
22 sort of a transitional period where many people
23 were performing services for both Lehman and
24 starting to perform services for Barclays, too.

25 Q. Okay. That would be --

1 S. BERKENFELD

2 A. So it was kind of a transitional
3 period.

4 Q. As opposed, sir, to the -- I
5 understand that after the transaction closed,
6 there would be transitional work where you had
7 your old Lehman hat on in terms items of
8 knowledge or necessities.

9 My question, though, is who employed
10 you and when? Who was your employer on
11 September 22, 2008?

12 A. September 22, 2008. I don't recall.
13 I'd have to take a look at where the paychecks
14 came from.

15 Q. And the reason I picked September 22,
16 2008, that's the date the transaction closed,
17 correct?

18 A. Yes.

19 (The following portions have been removed dur to their
20 Confidentiality designations:

21 Page 9, Line 19 through Page 26, Line 23 (Highly Confidential);

22 Page 26, Line 24 through Page 32, Line 3 (Confidential);

23 Page 32, Line 4 through Page 35, Line 19 (Highly Confidential);

24 Page 35, Line 20 through Page 53, Line 22 (Confidential);

25 Page 53, Line 23 through Page 159, Line 13 (Highly Confidential);

1 Page 159, Line 14 through Page 167, Line 8 (Confidential);
2 Page 167, Line 9 through Page 181, Line 22 (Highly Confidential);
3 Page 181, Line 23 through Page 205, Line 19 (Confidential);
4 Page 205, Line 20 through Page 242, Line 21 (Highly Confidential);
5 Page 242, Line 22 through Page 252, Line 5 (Confidential);
6 Page 252, Line 6 through Page 273, Line 18 (Highly Confidential);
7 Page 273, Line 19 through Page 278, Line 4 (Confidential); and
8 Page 278, Line 5 through Page 303, Line 4 (Highly Confidential).

9
10 (The Transcript is continued on Page 303, Line 5
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5 (Time Noted: 4:57 P.M.)
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19 _____
20 STEVEN BERKENFELD
21
22 Subscribed and sworn to
23 before me this day
24 of 2009.
25 _____

1 S. BERKENFELD

2 CERTIFICATE

3 STATE OF NEW YORK)

: ss

4 COUNTY OF NEW YORK)

5 I, Kathy S. Klepfer, a Registered
6 Merit Reporter and Notary Public within and
7 for the State of New York, do hereby
8 certify:

9 That STEVEN BERKENFELD, the witness
10 whose deposition is herein before set forth,
11 was duly sworn by me and that such
12 deposition is a true record of the testimony
13 given by such witness.

14 I further certify that I am not
15 related to any of the parties to this action
16 by blood or marriage and that I am in no way
17 interested in the outcome of this matter.

18 I further certify that neither the
19 deponent nor a party requested a review of
20 the transcript pursuant to Federal Rule of
21 Civil Procedure 30(e) before the deposition
22 was completed.

23 In witness whereof, I have hereunto
24 set my hand this 6th day of August, 2009.

25 -----

S. BERKENFELD

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Ms. Taggart 278

Mr. Stern 299

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BCI-CG00033789

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S. BERKENFELD

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S. BERKENFELD

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20, at 1:07 P.M.

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S. BERKENFELD

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A. 3

1
2 UNITED STATES BANKRUPTCY COURT
3 SOUTHERN DISTRICT OF NEW YORK
4

5 In re:)
6 LEHMAN BROTHERS) Chapter 11
7 HOLDINGS, INC., et al.,) Case No. 08-13555(JMP)
8 Debtors.)
-----)
9
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11
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13

14 DEPOSITION OF
15 ALASTAIR BLACKWELL
16 New York, New York
17 Friday, August 7, 2009
18
19
20
21
22

23 Reported by:
24 KRISTIN KOCH, RPR, RMR, CRR, CLR
25 JOB NO. 24037

1
2
3
4 August 7, 2009

5 9:21 a.m.
6
7

8 Deposition of ALASTAIR BLACKWELL,
9 held at the offices of JONES DAY, LLP, 222
10 East 41st Street, New York, New York,
11 before Kristin Koch, a Registered
12 Professional Reporter, Registered Merit
13 Reporter, Certified Realtime Reporter,
14 Certified Livenote Reporter and Notary
15 Public of the State of New York.
16
17
18
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21
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25

A P P E A R A N C E S:

JONES DAY, LLP

Attorneys for Lehman Brothers, Inc.

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New York, New York 10017-6702

BY: WILLIAM J. HINE, ESQ.

GEORGE E. SPENCER, ESQ.

BOIES, SCHILLER & FLEXNER, LLP

Attorneys for Barclays and Alastair

Blackwell

5301 Wisconsin Avenue, N.W.

Washington, D.C. 20015

BY: JONATHAN M. SHAW, ESQ.

QUINN EMANUEL URQUHART OLIVER & HEDGES LLP

Attorneys for Creditors Committee

51 Madison Avenue

New York, New York 10010

BY: ROBERT K. DAKIS, ESQ.

A P P E A R A N C E S: (Continued)

JENNER & BLOCK LLP

Attorneys for Examiner

330 North Wabash Avenue

Chicago, Illinois 60611-7603

BY: ROBERT L. BYMAN, ESQ.

HUGHES HUBBARD & REED LLP

Attorneys for SIPA Trustee

One Battery Park Plaza

New York, New York 10004-1482

BY: SETH D. ROTHMAN, ESQ.

NEIL J. OXFORD, ESQ.

AMINA HASSAN, ESQ.

ALSO PRESENT:

RAJESH ANKALKOTI, Alvarez & Marsal

1
2 IT IS HEREBY STIPULATED AND AGREED
3 by and between the attorneys for the
4 respective parties herein, that filing and
5 sealing be and the same are hereby waived.

6 IT IS FURTHER STIPULATED AND AGREED
7 that all objections, except as to the form
8 of the question, shall be reserved to the
9 time of the trial.

10 IT IS FURTHER STIPULATED AND AGREED
11 that the within deposition may be sworn to
12 and signed before any officer authorized
13 to administer an oath, with the same
14 force and effect as if signed and sworn
15 to before the Court.

16
17
18
19
20 - oOo -
21
22
23
24
25

1
2 A L A S T A I R B L A C K W E L L,
3 called as a witness, having been duly sworn
4 by a Notary Public, was examined and
5 testified as follows:

6 EXAMINATION BY

7 MR. HINE:

8 Q. Good morning, Mr. Blackwell.

9 A. Good morning.

10 Q. How are you?

11 A. Very good, thanks.

12 Q. I am sure your counsel has told you
13 what's going on here today, but we are here
14 taking a deposition involving the Lehman
15 bankruptcy proceedings.

16 My name is Bill Hine and I am from
17 Jones Day, which is the firm that's special
18 counsel to LBHI. Several of the other counsel
19 along the table will introduce themselves
20 later, but they represent various entities that
21 are involved in this proceeding.

22 So the way this is going to work is
23 I am going to ask you a bunch of questions
24 first and they will all take turns with you
25 later as we progress.

1 Blackwell

2 A. Understood.

3 Q. As we go, I am going to be asking
4 you a series of questions. You are under oath,
5 so you will answer the questions. At some
6 points in time you will hear your counsel state
7 an objection. That doesn't mean you don't have
8 to answer the question. That just means he is
9 either preserving the record or he wants to ask
10 me to clarify the question. If he instructs
11 you not to answer, that's up to you as well,
12 but the mere fact that he makes an objection
13 doesn't mean you don't have to answer the
14 question.

15 In that vein, I'd like to ask you
16 just please ask me to clarify any question
17 where I might misuse an acronym or a word. I
18 feel like I am learning a new language here
19 reading all you folks' e-mail, so I know there
20 is technical financial words that you guys use
21 and you understand readily, but if you need me
22 to clarify one, I want to have a clear question
23 so you can answer it.

24 I think your counsel has probably
25 told you, but you have been designated as a

1 Blackwell

2 30(b)(6) witness for a select set of issues in
3 this case and those issues relate to Schedules
4 A and B of the Clarification Letter. We will
5 get to that later, but I just want to let you
6 know that, and that I will alert you to that
7 fact when we get to that portion of the
8 deposition, so in that portion you will be
9 speaking on behalf of Barclays.

10 So I am ready to proceed if you are.
11 Are we ready to do this?

12 A. Absolutely, yes. Thank you.

13 Q. Can we start off with a little
14 background information about you.

15 You are currently employed by
16 Barclays Capital; correct?

17 A. I am, yes.

18 Q. And what is your present position?

19 A. I am responsible for the Americas
20 operations department for capital markets.

21 Q. Okay. And do you have a title?

22 A. I am a managing director.

23 (The following portions have been removed due to their
24 Confidentiality designations:

25 Page 8, Line 23 through Page 9, Line 15 (Highly Confidential);

Page 9, Line 16 through Page 17, Line 13 (Confidential);
Page 17, Line 14 through Page 35, Line 2 (Highly Confidential);
Page 35, Line 3 through Page 38, Line 6 (Confidential);
Page 38, Line 7 through Page 49, Line 20 (Highly Confidential);
Page 49, Line 21 through Page 51, Line 16 (Confidential);
Page 51, Line 17 through Page 95, Line 24 (Highly Confidential);
Page 95, Line 25 through Page 97, Line 7 (Confidential);
Page 97, Line 8 through Page 103, Line 12 (Highly Confidential);
Page 103, Line 13 through Page 114, Line 11 (Confidential);
Page 114, Line 12 through Page 156, Line 24 (Highly Confidential);
Page 156, Line 25 through Page 159, Line 5 (Confidential);
Page 159, Line 6 through Page 187, Line 25 (Highly Confidential).
Page 188, Line 1 through Page 191, Line 8 (Confidential);
Page 191, Line 9 through Page 243, Line 12 (Highly Confidential);
Page 243, Line 13 through Page 247, Line 6 (Confidential);
Page 247, Line 7 through Page 255, Line 2 (Highly Confidential);
Page 255, Line 3 through Page 258, Line 22 (Confidential); and
Page 258, Line 23 through Page 267, Line 10 (Highly Confidential).

(Transcript is continued on Pg. 267, Line 11)

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(Time noted: 4:27 p.m.)

ALASTAIR BLACKWELL

Subscribed and sworn to before me
this day of 2009.

C E R T I F I C A T E

STATE OF NEW YORK)
) ss.:
COUNTY OF NASSAU)

I, KRISTIN KOCH, a Notary Public
within and for the State of New York, do
hereby certify:

That ALASTAIR BLACKWELL, the witness
whose deposition is hereinbefore set
forth, was duly sworn by me and that such
deposition is a true record of the
testimony given by such witness.

I further certify that I am not
related to any of the parties to this
action by blood or marriage; and that I am
in no way interested in the outcome of
this matter.

IN WITNESS WHEREOF, I have hereunto
set my hand this 7th day August, 2009.

KRISTIN KOCH, RPR, RMR, CRR, CLR

-----I N D E X-----

WITNESS	EXAMINATION BY	PAGE
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	MR. OXFORD	190
	MR. DAKIS	255

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NUMBER

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ERRATA SHEET FOR THE TRANSCRIPT OF:

Case Name: In re: Lehman Brothers

Dep. Date: August 7, 2009

Deponent: Alastair Blackwell

CORRECTIONS:

Pg.	Ln.	Now Reads	Should Read	Reason
_____	_____	_____	_____	_____
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Signature of Deponent

SUBSCRIBED AND SWORN BEFORE ME

THIS ____ DAY OF _____, 2009.

(Notary Public) MY COMMISSION EXPIRES: _____

A. 4

HIGHLY CONFIDENTIAL - PATRICK CLACKSON
UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In Re:

Chapter 11

LEHMAN BROTHERS Case No. 08-13555(JMP)
HOLDINGS, INC. et al., (Jointly Administered)
Debtors.

HIGHLY CONFIDENTIAL
DEPOSITION OF PATRICK CLACKSON
Friday, September 4, 2009
At: 9:00 am
Taken at:
Barclays
1 Churchill Place
London
United Kingdom

Reported by: AILSA WILLIAMS
Certified LiveNote Reporter

1 HIGHLY CONFIDENTIAL - PATRICK CLACKSON

2 A P P E A R A N C E S

3 JONES DAY, LLP

Attorneys for Lehman Brothers, Inc.

4 222 East 41st Street

New York, NY 10017-6702

5 BY: JAYANT W. TAMBE, ESQ

BRIDGET CRAWFORD, ESQ

6 BOIES, SCHILLER & FLEXNER, LLP

7 Attorneys for Barclays Capital and the
Witness

8 5301 Wisconsin Avenue N.W

Washington D.C 20015

9 BY: HAMISH HUME

10 QUINN, EMANUEL, URQUHART, OLIVER & HEDGES,
LLP

11 Attorneys for the Creditors Committee

16 Old Bailey

12 London, United Kingdom EC4M 7EG

BY: MATTHEW BUNTING, ESQ.

13 HUGHES, HUBBARD & REED, LLP

14 Attorneys for the SIPA Trustee

1775 I Street, N.W

15 Washington D.C. 20006-2401

BY: JOHN F. WOOD

16 Also Present:

17 PHILIP E. KRUSE: Alvarez & Marsal

HIGHLY CONFIDENTIAL - PATRICK CLACKSON

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1 HIGHLY CONFIDENTIAL - PATRICK CLACKSON

2 PATRICK CLACKSON

3 Having been duly sworn,

4 Testified as follows:

5 DIRECT EXAMINATION BY MR. TAMBE:

6 MR. TAMBE: Morning, Mr. Clackson. My
7 name is Jay Tambe with the law firm Jones Day,
8 special counsel to Lehman Brothers Holdings Inc.
9 With me is my colleague, Bridget Crawford.

10 I will have the lawyers in the room
11 introduce themselves and we will get started.

12 MR. BUNTING: Morning, I am Matthew
13 Bunting from Quinn, Emanuel, Urquhart, Oliver &
14 Hedges representing Creditors Committee.

15 MR. KRUSE: Phillip Kruse with Alvarez &
16 Marsal on behalf of the LBHI estate.

17 MR. WOOD: John Wood from Hughes,
18 Hubbard & Reed. We represent the SIPA Trustee.

19 MR. HUME: Hamish Hume, Boies, Schiller
20 & Flexner, representing Barclays and the witness.

21 (The following portions have been removed due to

22 their Confidentiality designation:

23 Page 5, Line 21 through Page 38, Line 17 (Confidential);

24 Page 38, Line 18 through Page 61, Line 14 (Highly Confidential);

25 Page 61, Line 15 through Page 71, Line 23 (Confidential);

HIGHLY CONFIDENTIAL - PATRICK CLACKSON

Page 71, Line 24 through Page 163, Line 17 (Highly Confidential); and
Page 163, Line 18 through Page 183, Line 12 (Confidential)

the transcript is continued on Page 183, Line 13.)

1 HIGHLY CONFIDENTIAL - PATRICK CLACKSON

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(Deposition concluded)

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Patrick Clackson

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HIGHLY CONFIDENTIAL - PATRICK CLACKSON

CERTIFICATE OF DEPONENT

I, Patrick Clackson, hereby certify that I have
read the foregoing pages, numbered 1 through 186,
of my deposition of testimony taken in these
proceedings on Friday, 4 September, 2009, and,
with the exception of the changes listed on the
next page and/or corrections, if any, find them to
be a true and accurate transcription thereof.

Signed:

Name: Patrick Clackson

Date:

HIGHLY CONFIDENTIAL - PATRICK CLACKSON
CERTIFICATE OF COURT REPORTER

I, AILSA WILLIAMS, an Accredited LiveNote Reporter with European Deposition Services, London, England, hereby certify that the testimony of the witness Patrick Clackson in the foregoing transcript, numbered pages 1 through 186, taken on Friday, 4 September, 2009 was recorded by me in machine shorthand and was thereafter transcribed by me; and that the foregoing transcript is a true and accurate verbatim record of the said testimony.

I further certify that I am not a relative, employee, counsel or financially involved with any of the parties to the within cause, nor am I an employee or relative of any counsel for the parties, nor am I in any way interested in the outcome of the within cause.

Signed:
AILSA WILLIAMS
Dated: 9/4/2009

HIGHLY CONFIDENTIAL - PATRICK CLACKSON

E R R A T A

Deposition of Patrick Clackson

Page/Line No.	Description	Reason for change
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Signed:

Name: Patrick Clackson

Date:

A. 5

1 J. COGHLAN

2 UNITED STATES BANKRUPTCY COURT

3 SOUTHERN DISTRICT OF NEW YORK

4 -----X

5 In Re:

6 Chapter 11

7 LEHMAN BROTHERS

Case No. 08-13555(JMP)

8 HOLDINGS, INC., et al., (Jointly Administered)

9 Debtors.

10 -----X

11 * * *HIGHLY CONFIDENTIAL* * *

12 DEPOSITION OF JOHN COGHLAN

13 New York, New York

14 August 13, 2009

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23 Reported by:

24 KATHY S. KLEPFER, RMR, RPR, CRR, CLR

25 JOB NO. 24122

1 J. COGHLAN

2 August 13, 2009

3 9:30 a.m.

4
5
6 Deposition of JOHN COGHLAN, held at Jones Day
7 LLP, 222 East 41st Street, LLP, New
8 York, New York, before Kathy S.
9 Klepfer, a Registered Professional
10 Reporter, Registered Merit Reporter,
11 Certified Realtime Reporter, Certified
12 Livenote Reporter, and Notary Public
13 of the State of New York.
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1 J. COGHLAN

2
3 A P P E A R A N C E S:
4

5 JONES DAY, LLP

6 Attorneys for Lehman Brothers, Inc.

7 222 East 41st Street

8 New York, New York 10017-6702

9 BY: WILLIAM J. HINE, ESQ.

10 GEORGE E. SPENCER, ESQ.
11

12 BOIES, SCHILLER & FLEXNER, LLP

13 Attorneys for Barclays

14 575 Lexington Avenue - 7th Floor

15 New York, New York 10022

16 BY: JACK G. STERN, ESQ.
17

18 SCARING & BRISSENDEN, PLLC

19 Attorneys for the Witness

20 666 Old County Road

21 Ste. 501

22 Garden City, New York 11530-2004

23 BY: STEPHEN P. SCARING, ESQ.
24
25

1 J. COGHLAN

2
3 A P P E A R A N C E S: (Cont'd.)

4
5 QUINN, EMANUEL, URQUHART, OLIVER & HEDGES, LLP

6 Attorneys for the Creditors Committee

7 51 Madison Avenue

8 22nd Floor

9 New York, New York 10010

10 BY: ERIC M. KAY, ESQ.

11
12 JENNER & BLOCK, LLP

13 Attorneys for the Examiner

14 330 N. Wabash Avenue

15 Chicago, Illinois 60611-7603

16 BY: DAVID C. LAYDEN, ESQ.

17
18 HUGHES, HUBBARD & REED, LLP

19 Attorneys for the SIPA Trustee

20 One Battery Park Plaza

21 New York, New York 10004-1482

22 BY: NEIL J. OXFORD, ESQ.

23
24 Also Present:

25 RAJESH ANKALKOTI, Alvarez & Marsal

1 J. COGHLAN

2 JOHN COGHLAN, called as a
3 witness, having been duly sworn by a Notary
4 Public, was examined and testified as
5 follows:

6 EXAMINATION BY

7 MR. HINE:

8 Q. Good morning, Mr. Coghlan.

9 A. Good morning.

10 Q. We met briefly off the record just
11 before this, but my name is Bill Hine. I'm from
12 the firm of Jones Day and we are special counsel
13 to the Lehman Brothers Holdings, Inc. in
14 connection with the pending bankruptcy
15 proceedings. This deposition is to take some
16 discovery in connection with that effort.

17 Have you ever been deposed before?

18 A. I have.

19 Q. You have not?

20 A. I have.

21 Q. You have, okay. So you know the
22 drill, generally. I'm going to ask you some
23 questions.

24 A. Uh-huh.

25 Q. You're going to give me answers. On

1 J. COGHLAN

2 occasion, your counsel might state objections
3 for the record or to instruct me that he thinks
4 my questions are unclear or something wrong with
5 my question. That doesn't relieve you of the
6 obligation to answer the question.

7 A. Uh-huh.

8 Q. It just gives me a chance to correct
9 it.

10 In that vein, throughout the course of
11 the day, undoubtedly I will misuse a word or
12 some technical term or some acronym that you
13 folks use every day in your business, so I would
14 ask you to just correct me or ask me to
15 clarify --

16 A. Uh-huh.

17 Q. -- any questions you think I might not
18 be getting the concept or might be asking an
19 unclear question. I think it's in everyone's
20 interests to have clear questions so you can
21 answer them.

22 MR. STERN: Let me just point out the
23 reporter is noting your "uh-hum" comments.
24 So going forward, "yes" or "no."

25 Q. Okay. The reporter takes down -- can

1 J. COGHLAN

2 only take down verbal answers, so when you nod
3 your head, she can't note that.

4 Can we start off briefly with your
5 previous employment at Lehman Brothers? Were
6 you an employee of LBI?

7 A. I was.

8 Q. Okay. And could you tell me what your
9 last position you held at LBI was.

10 A. I worked in the prime broker. I was a
11 managing director and I was responsible for the
12 secured financing of the firm.

13 Q. When you say "prime broker," is
14 that -- I see references in some of the
15 documents to Prime Services?

16 A. Prime Services, yes.

17 Q. Can you just explain to me what that
18 is?

19 A. Prime Services has several businesses
20 within it. From a -- the primary businesses or
21 the major businesses are financing businesses,
22 both in fixed income and equities. There is a
23 futures business resides in prime broker, where
24 there are fees for execution and settlement.
25 There is other execution and settlement activity

1 J. COGHLAN

2 that goes on in prime brokerage relative to
3 equity executions as well. So the piece I was
4 responsible for was the financing piece within
5 the prime brokerage.

6 Q. Could you explain to me what that
7 means?

8 A. Yes. The firm basically has two types
9 of assets that it needs to finance on a daily
10 basis. It has assets that it owns as principal
11 that we have bought and put into our position.

12 Q. Okay.

13 A. Those trading decisions and those
14 positions are managed outside of the prime
15 brokerage business. And within the prime
16 brokerage business there is a financing business
17 which basically does lending and borrowing of
18 money, collateralized normally by securities,
19 with the objective of making a spread in between
20 the borrowing and the lending on the money. So
21 that's the activity that I manage.

22 Q. Okay. And you have a team of folks
23 that work for you in that activity, I take it?

24 A. Yes, I do.

25 Q. And does that activity entail use of

1 J. COGHLAN

2 repo transactions or repurchase transactions?

3 A. It does.

4 Q. So if we use the term "repo," you will
5 understand what that means throughout this
6 deposition?

7 A. Yes.

8 Q. And can you explain to me generally
9 what a repo transaction is?

10 A. Repo transaction is when I either --
11 well, when I lend money to a third party, I
12 normally do that by lending the money and they
13 will give me some sort of collateral to secure
14 that loan.

15 Q. Right.

16 A. Normally, the collateral that they
17 would post are relatively liquid marketable
18 securities. Normally, I'm taking more
19 collateral than I'm lending money so I have some
20 sort of over collateralization protection, and
21 so that would be one leg of the transaction.

22 Once I lend that money, I have to take
23 those securities and repledge them to someone
24 else who will give me money. And so that is the
25 basic dynamic of a repo transaction.

1 J. COGHLAN

2 Q. And Lehman makes money by the
3 difference in --

4 A. Where I borrow the money and when I
5 loan the money.

6 MR. STERN: Wait. He has to finish
7 the question. Let's let him finish the
8 question.

9 Q. I just want to understand. The goal
10 of your department is to make money on these
11 seemingly opposite transactions, right?

12 A. That's one of the objectives of the
13 department, yes.

14 Q. So you say you were managing director
15 of this department?

16 A. Yes.

17 Q. Okay. And how long have you held that
18 position?

19 A. In that department, I believe it was
20 four years.

21 Q. So roughly since 2004?

22 A. I believe that's the date, yes.

23 Q. And what was your position before
24 that?

25 A. My position immediately before that is

1 J. COGHLAN

2 I had a similar position running just the fixed
3 income piece of repo.

4 Q. And how long --

5 A. Whereas this position included both
6 fixed income, financing and equity financing.

7 Q. I gotcha. And how long were you in
8 charge of the fixed income piece of repo?

9 A. Probably since 1998, I believe.

10 Q. Prior to that?

11 A. What was I doing before that?

12 Q. Yes.

13 A. Before that, I was running the
14 Investment Grade and High Grade Division for
15 Lehman.

16 Q. Did that involve repo transactions as
17 well?

18 A. It did not.

19 Q. How long have you worked for Lehman?

20 A. I was there 27 years.

21 Q. Okay, you started -- do you recall
22 what year you started?

23 A. 1981.

24 Q. Okay. The two positions that you just
25 discussed with me, are those the only positions

1 J. COGHLAN

2 you held that involved repo transactions?

3 A. Yes.

4 Q. Is it fair to say --

5 A. Well, let me clarify. I did have
6 supervisory responsibility for a year of repo,
7 but I can't recall the date.

8 Q. Okay.

9 A. It was in the mid '90s. So I
10 supervised it for a period of time, moved on to
11 a different position, and then came back in
12 1998.

13 Q. Fair to say you're very familiar with
14 repo transactions?

15 A. Yes.

16 Q. Among the senior management team at
17 Lehman, are you the guy they would usually go to
18 with a question about repo transactions if
19 something came up?

20 A. I wouldn't be the only person because
21 there are other people that are familiar with
22 the repo business and there are other senior
23 people within it, but, you know, they would
24 obviously ask me questions at times. But not
25 exclusively.

1 J. COGHLAN

2 Q. Okay. Now I just want to talk about
3 the last position you held, which is the
4 managing director position that you described.
5 Who did you report to in that position?

6 A. I reported to John Wickham.

7 Q. Anyone else?

8 A. No.

9 Q. And who reported directly to you?

10 A. Who reported directly? In that
11 position, David Lohuis, John Nicholson, John
12 Feraca, Janet Hurley, Ian Maynard.

13 Q. Are these folks traders?

14 A. Yes.

15 Q. So your department handles the trades
16 that are involved in effecting a repo
17 transaction, is that fair to say?

18 A. Yes.

19 Q. Can you explain to me the
20 difference --

21 A. Well, repo and stock loan. So the
22 normal phrase for fixed income financing
23 transactions is repo. The normal phrase for
24 equity financing transactions is stock loan.

25 Q. Okay.

1 J. COGHLAN

2 A. They both are financing transactions
3 where we are lending money versus collateral and
4 then relending the collateral to get the money.

5 Q. Okay. Again, I'm not trying to
6 mischaracterize. Is it fair to say it's
7 generally the same mechanics of the transaction,
8 you just call it two different things for those
9 two different types of securities?

10 A. Yes.

11 Q. Can you explain to me the difference
12 between what your department does and what Mr.
13 Blackwell's department does as they relate to
14 repo transactions?

15 A. Well, I can describe what I do. What
16 I do is, as I said, I manage all the collateral
17 that needs to be financed both for the firm and
18 for the financing business --

19 Q. Okay.

20 A. -- in a way I just described, by
21 buying and borrowing and lending money. And,
22 you know, the kind of the settlement of those
23 transactions are handled by, you know, the
24 treasury. And Alastair Blackwell has a group of
25 operations people that work with Treasury to

1 J. COGHLAN

2 settle trades.

3 Q. When you say "settle trades," what
4 does that mean?

5 A. To make sure that the securities go to
6 where they're supposed to go and the cash goes
7 to where it's supposed to go to, make sure all
8 the securities and cash move to their proper
9 locations.

10 Q. I've heard the phrase "back office."
11 Is that what you would consider what you just
12 described?

13 A. That's the phrase, yes, that would
14 describe it, yes.

15 Q. Does your organization that you
16 head -- and again, I'm talking about your time
17 at Lehman.

18 A. Uh-huh.

19 (The following portions have been removed due to their
20 Confidentiality designations:

21 Page 15, Line 19 through Page 18, Line 5 (Highly Confidential);

22 Page 18, Line 6 through Page 21, Line 19 (Confidential);

23 Page 21, Line 20 through Page 67, Line 15 (Highly Confidential);

24 Page 67, Line 16 through Page 72, Line 2 (Confidential);

25 Page 72, Line 3 through Page 105, Line 17 (Highly Confidential);

1 Page 105, Line 18 through Page 111, Line 8 (Confidential);
2 Page 111, Line 9 through Page 154, Line 7 (Highly Confidential);
3 Page 154, Line 8 through Page 164, Line 20 (Confidential);
4 Page 164, Line 21 through Page 228, Line 13 (Highly Confidential).
5 Page 228, Line 14 through Page 234, Line 13 (Confidential);
6 Page 234, Line 14 through Page 236, Line 7 (Highly Confidential);
7 Page 236, Line 8 through Page 238, Line 16 (Confidential).

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15 (Transcript continued on Pg. 238, Line 17)
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(Time Noted: 3:11 P.M.)

oOo

JOHN COGHLAN

Subscribed and sworn to
before me this day
of 2009.

1 J. COGHLAN

2 CERTIFICATE

3 STATE OF NEW YORK)

: ss

4 COUNTY OF NEW YORK)

5 I, Kathy S. Klepfer, a Registered
6 Merit Reporter and Notary Public within and
7 for the State of New York, do hereby
8 certify:

9 That JOHN COGHLAN, the witness whose
10 deposition is herein before set forth, was
11 duly sworn by me and that such deposition is
12 a true record of the testimony given by such
13 witness.

14 I further certify that I am not
15 related to any of the parties to this action
16 by blood or marriage and that I am in no way
17 interested in the outcome of this matter.

18 I further certify that neither the
19 deponent nor a party requested a review of
20 the transcript pursuant to Federal Rule of
21 Civil Procedure 30(e) before the deposition
22 was completed.

23 In witness whereof, I have hereunto
24 set my hand this 13th day of August, 2009.

25 -----

J. COGHLAN

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J. COGHLAN

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J. COGHLAN

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J. COGHLAN

NAME OF CASE: In re Lehman Brothers

DATE OF DEPOSITION: August 13, 2009

NAME OF WITNESS: John Coghlan

Reason Codes:

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2. To conform to the facts.
3. To correct transcription errors.

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A. 6

1 A. COX

2 UNITED STATES BANKRUPTCY COURT

3 SOUTHERN DISTRICT OF NEW YORK

4 -----X

5 In Re:

6 Chapter 11

7 LEHMAN BROTHERS

Case No. 08-13555(JMP)

8 HOLDINGS, INC., et al., (Jointly Administered)

9 Debtors.

10 -----X

11
12
13 DEPOSITION OF ARCHIBALD COX

14 New York, New York

15 September 11, 2009

16
17
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22
23 Reported by:

24 KATHY S. KLEPFER, RMR, RPR, CRR, CLR

25 JOB NO. 24300

1 A. COX

2 September 11, 2009

3 10:19 a.m.

4
5
6 DEPOSITION of ARCHIBALD COX, held at
7 the law offices of Jones Day, LLP,
8 222 E. 41st Street, New York, New York,
9 before Kathy S. Klepfer, a Registered
10 Professional Reporter, Registered Merit
11 Reporter, Certified Realtime Reporter,
12 Certified Livenote Reporter, and Notary
13 Public of the State of New York.
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1 A. COX

2
3 A P P E A R A N C E S:

4 JONES DAY, LLP

5 Attorneys for Lehman Brothers, Inc.

6 222 East 41st Street

7 New York, New York 10017-6702

8 BY: JAYANT W. TAMBE, ESQ.

9 BART GREEN, ESQ.

10
11 BOIES, SCHILLER & FLEXNER, LLP

12 Attorneys for Barclays and the Witness

13 575 Lexington Avenue - 7th Floor

14 New York, New York 10022

15 BY: JACK G. STERN, ESQ.

1 A. COX

2 A P P E A R A N C E S: (Cont'd.)

3 JENNER & BLOCK, LLP

4 Attorneys for the Examiner

5 330 N. Wabash Avenue

6 Chicago, Illinois 60611-7603

7 BY: VINCENT LAZAR, ESQ.

8
9 QUINN, EMANUEL, URQUHART, OLIVER & HEDGES, LLP

10 Attorneys for the Creditors Committee

11 51 Madison Avenue

12 22nd Floor

13 New York, New York 10010

14 BY: JAMES C. TECCE, ESQ.

15
16 HUGHES, HUBBARD & REED, LLP

17 Attorneys for the SIPA Trustee

18 1775 I Street, N.W.

19 Washington, D.C. 20006-2401

20 BY: JOHN WOOD, ESQ.

21 FARA TABATABAI, ESQ. (Afternoon Session)

22
23 Also Present:

24 PHILIP E. KRUSE, Alvarez & Marsal

1 A. COX

2 (the entire transcript has been removed
3 due to its Highly Confidential designation:
4 Page 5 Line 2 through Page 103 Line 9)
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1 A. COX
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10 (Time Noted: 1:34 P.M.)
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18 _____
19 ARCHIBALD COX

20 Subscribed and sworn to
21 before me this day
22 of 2009.
23 _____
24
25

1 A. COX

2 CERTIFICATE

3 STATE OF NEW YORK)

4 : ss

5 COUNTY OF NEW YORK)

6 I, Kathy S. Klepfer, a Registered
7 Merit Reporter and Notary Public within and
8 for the State of New York, do hereby
9 certify:

10 That ARCHIBALD COX, the witness whose
11 deposition is herein before set forth, was
12 duly sworn by me and that such deposition is
13 a true record of the testimony given by such
14 witness.

15 I further certify that I am not
16 related to any of the parties to this action
17 by blood or marriage and that I am in no way
18 interested in the outcome of this matter.

19 I further certify that neither the
20 deponent nor a party requested a review of
21 the transcript pursuant to Federal Rule of
22 Civil Procedure 30(e) before the deposition
23 was completed.

24 In witness whereof, I have hereunto
25 set my hand this 11th day of September,
2009.

A. COX

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A. COX

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A. COX

NAME OF CASE: In re Lehman Brothers Holdings, Inc.

DATE OF DEPOSITION: September 11, 2009

NAME OF WITNESS: Archibald Cox

Reason Codes:

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2. To conform to the facts.
3. To correct transcription errors.

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A. 7

1
2 UNITED STATES BANKRUPTCY COURT
3 SOUTHERN DISTRICT OF NEW YORK

4 -----x

5 In Re:

6 Chapter 11

7 LEHMAN BROTHERS Case No. 08-13555(JMP)

8 HOLDINGS, INC., et al, (Jointly Administered)

9 Debtors.

10 -----x

11
12
13 DEPOSITION OF NANCY DENIG

14 New York, New York

15 August 21, 2009

16
17 Reported by:

18 MARY F. BOWMAN, RPR, CRR

19 JOB NO. 24044
20
21
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August 21, 2009

9:35 a.m.

Deposition of NANCY DENIG, held at
the offices of Jones Day, LLP, 222 East 41st
Street, New York, New York, before Mary F.
Bowman, a Registered Professional Reporter,
Certified Realtime Reporter, and Notary Public
of the State of New York.

APPEARANCES:

JONES DAY, LLP

Attorneys for Lehman Brothers, Inc.

222 East 41st Street

New York, New York 10017-6702

BY: WILLIAM J. HINE, ESQ.

GEORGE E. SPENCER, ESQ.

BOIES, SCHILLER & FLEXNER, LLP

Attorneys for Barclays and The Witness

5301 Wisconsin Ave. NW

Washington, DC 20015

BY: JONATHAN M. SHAW, ESQ.

QUINN, EMANUEL, URQUHART, OLIVER & HEDGES, LLP

Attorneys for the Creditors Committee

51 Madison Avenue

New York, New York 10010

BY: ROBERT K. DAKIS, ESQ.

1
2
3 JENNER & BLOCK, LLC

4 Attorneys for the Examiner

5 330 N. Wabash Avenue

6 Chicago, Illinois 60611-7603

7 BY: DAVID C. LAYDEN, ESQ.

8
9 HUGHES, HUBBARD & REED, LLP

10 Attorneys for the SIPA Trustee

11 One Battery Park Plaza

12 New York, New York 10004-1482

13 BY: NEIL J. OXFORD, ESQ.

14 FARA TABATABAI, ESQ.

15
16 Also Present:

17 RAJESH ANKALKOTI, Alvarez & Marsal

18

19

20

21

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4
5 IT IS HEREBY STIPULATED AND AGREED, by
6 and between the attorneys for the respective
7 parties herein, that filing and sealing be
8 and the same are hereby waived.

9 IT IS FURTHER STIPULATED AND AGREED
10 that all objections, except as to the form
11 of the question, shall be reserved to the
12 time of the trial.

13
14
15 IT IS FURTHER STIPULATED AND AGREED
16 that the within deposition may be sworn to
17 and signed before any officer authorized to
18 administer an oath, with the same force and
19 effect as if signed and sworn to before the
20 Court.

21
22
23
24
25

DENIG

NANCY DENIG,

called as a witness by the parties,
having been duly sworn, testified as
follows:

EXAMINATION BY

MR. HINE:

Q. Good morning, Ms. Denig. How are you?

A. Good.

Q. I introduced myself before, but my
name is Bill Hine. I am from the firm of Jones
Day, which is special counsel to Lehman Brothers
Holdings, Inc. in connection with all the
bankruptcy proceedings that are going on.

So your deposition today is in
connection with those proceedings and some
discovery that we are taking in those proceedings.
Have you ever been deposed before?

A. I have not.

Q. Very simple. I am going to ask you a
bunch of questions. You are under oath, you are
going to give me truthful answers.

On occasion your counsel will raise an
objection or interpose an objection. He is either
doing that for any number of reasons, but I just

1 DENIG

2 wanted to let you know that it doesn't relieve you
3 of the obligation to answer the question. You
4 still have to answer the question, unless of
5 course your counsel instructs you not to answer
6 the question, which he may do on occasion as well.

7 I think all the other counsel around
8 the table will introduce themselves as they get up
9 to ask you questions, if they have any, but if you
10 have any questions -- unless you have any
11 questions, we can get started.

12 One point of clarification before we
13 get started. I see e-mails addressed to N. Bayne.
14 Is that you?

15 A. That is my maiden name.

16 Q. So if I see --

17 A. Unfortunately when you were at Lehman,
18 when I got married -- my user profile before I got
19 married was N. Bayne, which was my maiden name.
20 When I got married, in order for them to change
21 the user name, they would have had to delete me
22 from the system altogether and I would have to
23 reapply for all my applications, which I didn't
24 want to do because I was already four years into
25 the company, so I left my user name as N. Bayne.

1 DENIG

2 Q. If I see an e-mail addressed to
3 N. Bayne at Lehman --

4 A. That's me.

5 Q. Could you tell me how long you worked
6 for Lehman?

7 A. 15 years.

8 Q. So that's starting in --

9 A. 1994, January 20.

10 Q. OK. And could you kind of briefly
11 walk me through the progressions of positions you
12 held up until the end?

13 A. I started as an analyst in customer
14 service, which dealt with like trade discrepancies
15 for fixed income products.

16 Moved to P&L in the finance division,
17 where I supported the repo desk for central
18 funding for all types of fixed income assets.

19 I then took on various different
20 groups throughout the life, sales support, trade
21 support, P&L, structured repo, EMG, trade and
22 sales support, and probably that was pretty much
23 it. So I pretty much stayed on the fixed income
24 side pretty much all my career.

25 Q. What was the last position you held?

1 DENIG

2 A. Last position, regional head for fixed
3 income repo, middle office, so that was trade
4 support, so we supported the traders in the daily
5 transactions that they executed.

6 We did sales support, which also
7 supported any trade confirmations, sales
8 confirmations, trade discrepancies with regards to
9 the salespeople.

10 We did -- we reported the P&L to the
11 business lines, and, you know, some various little
12 odds and ends, but nothing that needs to be
13 clarified.

14 Q. Who did you report to in that
15 position?

16 A. Jim Hraska.

17 Q. Any other people that you reported to
18 directly?

19 A. No.

20 Q. How long have you held this position?

21 A. Three years of all that. I just kept
22 getting more stuff added to me as my career
23 progressed. So I started with one group and got
24 another one, another, another, another. But
25 basically all in the same business line.

1 DENIG

2 Q. So the description you just gave me of
3 your job --

4 A. With everything was about three years
5 that I had that.

6 Q. For about three years?

7 A. Yeah.

8 Q. And who reported directly to you in
9 the last three-year period?

10 A. Carroll Schirmacher, Anthony
11 D'Agostino, Anthony Rivera, who was -- job
12 elimination at some point during the layoffs at
13 Lehman Brothers, Tom Rogers and Dave Regan. And
14 that was pretty much it.

15 Q. I believe you said, you mentioned the
16 phrase "repo" in your description of your job.
17 Could you just -- did you focus primarily on
18 repurchase transactions?

19 A. Yes. As it related -- well, I
20 wouldn't say repo transactions. The desk was
21 defined that we supported as the repo desk, but
22 they had different facets of the business. They
23 had a business -- they did plain vanilla swaps.
24 They did outright trades. They did other
25 disciplines.

1 DENIG

2 But for the most part, the name of the
3 department was the financing desk that dealt with
4 repos.

5 (The following portions have been removed due to their
6 Confidentiality designations:

7 Page 11, Line 5 through Page 20, Line 14 (Highly Confidential);
8 Page 20, Line 15 through Page 30, Line 4 (Confidential);
9 Page 30, Line 5 through Page 154, Line 20 (Highly Confidential);
10 Page 154, Line 21 through Page 156, Line 15 (Confidential);
11 Page 156, Line 16 through Page 181, Line 21 (Highly Confidential);
12 Page 181, Line 22 through Page 184, Line 16 (Confidential); and
13 Page 184, Line 17 through Page 264, Line 4 (Highly Confidential).

14

15

16

17 (The Transcript is continued on Pg. 265, Line 5)

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1 DENIG

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5 (Time noted: 3:55 p.m.)
6

7 _____
8 NANCY DENIG

9 Subscribed and sworn to
10 before me this day
11 of , 2009.
12
13 _____
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DENIG - CONFIDENTIAL

CERTIFICATE

STATE OF NEW YORK)

)ss:

COUNTY OF NEW YORK)

I, MARY F. BOWMAN, a Registered
Professional Reporter, Certified Realtime
Reporter, and Notary Public within and for
the State of New York, do hereby certify:

That NANCY DENIG, the witness whose
deposition is hereinbefore set forth, was
duly sworn by me and that such deposition is
a true record of the testimony given by such
witness.

I further certify that I am not
related to any of the parties to this action
by blood or marriage and that I am in no way
interested in the outcome of this matter.

In witness whereof, I have hereunto
set my hand this 21st day of August, 2009.

MARY F. BOWMAN, RPR, CRR

DENIG - CONFIDENTIAL

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	Mr. Dakis	244

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DENIG - CONFIDENTIAL
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NAME OF CASE:

DATE OF DEPOSITION:

NAME OF WITNESS:

Reason Codes:

1. To clarify the record.

2. To conform to the facts.

3. To correct transcription errors.

Page _____ Line _____ Reason _____

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A. 8

1
2 UNITED STATES BANKRUPTCY COURT
3 SOUTHERN DISTRICT OF NEW YORK

4 -----x

5 In Re:

6 Chapter 11

7 LEHMAN BROTHERS Case No. 08-13555(JMP)
8 HOLDINGS, INC., et al, (Jointly Administered)
9 Debtors.

10 -----x

11
12
13 DEPOSITION OF ROBERT EDWARD DIAMOND, JR.

14 New York, New York

15 September 11, 2009

16
17 Reported by:

18 MARY F. BOWMAN, RPR, CRR

19 JOB NO. 24378
20
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September 11, 2009

10:35 a.m.

Deposition of ROBERT DIAMOND, held
at the offices of Jones Day, LLP, 222 East 41st
Street, New York, New York, before Mary F.
Bowman, a Registered Professional Reporter,
Certified Realtime Reporter, and Notary Public
of the State of New York.

APPEARANCES:

JONES DAY, LLP

Attorneys for Lehman Brothers, Inc.

222 East 41st Street

New York, New York 10017-6702

BY: ROBERT GAFFEY, ESQ.

BRIDGET CRAWFORD, ESQ.

BOIES, SCHILLER & FLEXNER, LLP

Attorneys for Barclays and The Witness

5301 Wisconsin Avenue, NW

Washington, DC 20015

BY: HAMISH HUME, ESQ.

JONATHAN SCHILLER, ESQ.

QUINN, EMANUEL, URQUHART, OLIVER & HEDGES, LLP

Attorneys for the Creditors Committee

51 Madison Avenue

New York, New York 10010

BY: ROBERT DAKIS, ESQ.

APPEARANCES:

JENNER & BLOCK, LLC

Attorneys for the Examiner

330 N. Wabash Avenue

Chicago, Illinois 60611-7603

BY: DAVID C. LAYDEN, ESQ.

HUGHES, HUBBARD & REED, LLP

Attorneys for the SIPA Trustee

One Battery Park Plaza

New York, New York 10004-1482

BY: WILLIAM MAGUIRE, ESQ.

FARA TABATABAI, ESQ

Also Present:

THOMAS E. HOMMEL, ESQ.

Lehman Brothers Holdings

1
2
3
4
5 IT IS HEREBY STIPULATED AND AGREED, by
6 and between the attorneys for the respective
7 parties herein, that filing and sealing be
8 and the same are hereby waived.

9 IT IS FURTHER STIPULATED AND AGREED
10 that all objections, except as to the form
11 of the question, shall be reserved to the
12 time of the trial.

13
14
15 IT IS FURTHER STIPULATED AND AGREED
16 that the within deposition may be sworn to
17 and signed before any officer authorized to
18 administer an oath, with the same force and
19 effect as if signed and sworn to before the
20 Court.

DIAMOND

(The entire transcript has been removed due
to its Highly Confidential designation: Page 6
Line 2 through Page 238, Line 9)

DIAMOND

(Time noted: 4:18 p.m.)

ROBERT EDWARD DIAMOND, JR.

Subscribed and sworn to
before me this day
of September, 2009.

DIAMOND

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EXHIBITS

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Exhibit 412-A Document Bates stamped	153
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1 DIAMOND

2
3 CERTIFICATE

4 STATE OF NEW YORK)

5)ss:

6 COUNTY OF NEW YORK)

7 I, MARY F. BOWMAN, a Registered
8 Professional Reporter, Certified Realtime
9 Reporter, and Notary Public within and for
10 the State of New York, do hereby certify:

11 That ROBERT EDWARD DIAMOND, JR., the
12 witness whose deposition is hereinbefore set
13 forth, was duly sworn by me and that such
14 deposition is a true record of the testimony
15 given by such witness.

16 I further certify that I am not
17 related to any of the parties to this action
18 by blood or marriage and that I am in no way
19 interested in the outcome of this matter.

20 In witness whereof, I have hereunto
21 set my hand this 11th day of September,
22 2009.

23
24 _____
MARY F. BOWMAN, RPR, CRR

DIAMOND

* * *ERRATA SHEET* * *

NAME OF CASE: In Re: Lehman

DATE OF DEPOSITION: 9/11/09

NAME OF WITNESS: ROBERT EDWARD DIAMOND, JR.

Reason codes:

1. To clarify the record.

2. To conform to the facts.

3. To correct transcription errors.

Page ____ Line ____ Reason____

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ROBERT EDWARD DIAMOND, JR.

A. 9

1
2 UNITED STATES BANKRUPTCY COURT
3 SOUTHERN DISTRICT OF NEW YORK

4 -----x

In Re: Chapter 11
5 LEHMAN BROTHERS Case No. 08-13555 (JMP)
HOLDINGS, INC., et al., (Jointly Administered)
6 -----)

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8
9 DEPOSITION OF PAUL EXALL
10 New York, New York
11 Thursday, August 27, 2009
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20 Reported by:
FRANCIS X. FREDERICK, CSR, RPR, RMR
21 JOB NO. 24380
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August 27, 2009

9:30 a.m.

Deposition of PAUL EXALL, held at the offices
of Jones Day, 222 East 41st Street, New York, New
York, pursuant to Notice, before Francis
X. Frederick, a Certified Shorthand
Reporter, Registered Merit Reporter and
Notary Public of the States of New York
and New Jersey.

A P P E A R A N C E S:

JONES DAY, LLP

Attorneys for Lehman Brothers, Inc.

222 East 41st Street

New York, New York 10017-6702

BY: WILLIAM J. HINE, ESQ.

GEORGE E. SPENCER, ESQ.

BOIES SCHILLER & FLEXNER, LLP

Attorneys for Barclays Capital

333 Main Street

Armonk, New York 10504

BY: CHRISTOPHER M. GREEN, ESQ.

HUGHES, HUBBARD & REED, LLP

Attorneys for the SIPA Trustee

1175 I Street, N.W.

Washington, D.C. 20006-2401

BY: JOHN F. WOOD, ESQ.

1
2 A P P E A R A N C E S: (Cont'd.)

3 JENNER & BLOCK, LLC

4 Attorneys for the Examiner

5 330 N. Wabash Avenue

6 Chicago, Illinois 60611-7603

7 BY: VINCENT LAZAR, ESQ.

8
9
10 ALSO PRESENT:

11 INGRID M. CHRISTIAN, Alvarez & Marsal
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1 (The entire transcript has been removed due
2 to its Highly Confidential designation: Page 5,
3 Line 1 through Page 257, Line 9)
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(Time Noted: 2:40 p.m.)

PAUL EXALL

Subscribed and sworn to before me
this ____ day of _____, 2009.

C E R T I F I C A T E

STATE OF NEW YORK)

: ss.

COUNTY OF NEW YORK)

I, FRANCIS X. FREDERICK, a Notary
Public within and for the State of New
York, do hereby certify:

That PAUL EXALL, the witness whose
deposition is hereinbefore set forth,
was duly sworn by me and that such
deposition is a true record of the
testimony given by the witness.

I further certify that I am not
related to any of the parties to this
action by blood or marriage, and that I
am in no way interested in the outcome
of this matter.

IN WITNESS WHEREOF, I have
hereunto set my hand this 27th day of
August, 2009.

FRANCIS X. FREDERICK

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----- I N D E X -----

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----- INFORMATION REQUESTS -----

DIRECTIONS: NONE

RULINGS: NONE

TO BE FURNISHED: NONE

REQUESTS: 71, 188, 228

MOTIONS: NONE

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Exhibit 279B

Debtors' First Rule 30(b)(6)

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NAME OF CASE: IN RE: LEHMAN BROTHERS

DATE OF DEPOSITION: AUGUST 27, 2009

NAME OF WITNESS: PAUL EXALL

Reason codes:

1. To clarify the record.
2. To conform to the facts.
3. To correct transcription errors.

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PAUL EXALL

A. 10

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

-----x

In Re:

Chapter 11

LEHMAN BROTHERS Case No. 08-13555(JMP)

HOLDINGS, INC., et al, (Jointly Administered)

Debtors.

-----x

DEPOSITION OF ERIC JONATHAN FELDER

New York, New York

July 31, 2009

Reported by:

MARY F. BOWMAN, RPR, CRR

JOB NO. 24018

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July 31, 2009

9:35 a.m.

Deposition of ERIC JONATHAN FELDER,
held at the offices of Jones Day, LLP, 222 East
41st Street, New York, New York, before Mary F.
Bowman, a Registered Professional Reporter,
Certified Realtime Reporter, and Notary Public
of the State of New York.

APPEARANCES:

JONES DAY, LLP

Attorneys for Lehman Brothers, Inc.

222 East 41st Street

New York, New York 10017-6702

BY: DAVID L. CARDEN, ESQ.

KELLY CARRERO, ESQ.

JENNIFER DEL MEDICO, ESQ.

BOIES, SCHILLER & FLEXNER, LLP

Attorneys for Barclays and The Witness

575 Lexington Avenue - 7th Floor

New York, New York 10022

BY: JACK G. STERN, ESQ.

DEBEVOISE & PLIMPTON, LLP

Attorneys for The Witness

919 Third Avenue

New York, New York 10022

BY: ANDREW J. CERESNEY, ESQ.

JULIE SUH, ESQ.

APPEARANCES:

QUINN, EMANUEL, URQUHART, OLIVER & HEDGES, LLP

Attorneys for the Creditors Committee

865 Figueroa Street, 10th Floor

Los Angeles, California 90017

BY: ERICA P. TAGGART, ESQ.

JENNER & BLOCK, LLC

Attorneys for the Examiner

330 N. Wabash Avenue

Chicago, Illinois 60611-7603

BY: ROBERT L. BYMAN, ESQ.

HUGHES, HUBBARD & REED, LLP

Attorneys for the SIPA Trustee

One Battery Park Plaza

New York, New York 10004-1482

BY: WILLIAM R. MAGUIRE, ESQ.

NEIL J. OXFORD, ESQ.

Also Present:

Rajesh Ankalkoti, Alvarez & Marsal

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4
5 IT IS HEREBY STIPULATED AND AGREED, by
6 and between the attorneys for the respective
7 parties herein, that filing and sealing be
8 and the same are hereby waived.

9 IT IS FURTHER STIPULATED AND AGREED
10 that all objections, except as to the form
11 of the question, shall be reserved to the
12 time of the trial.

13 IT IS FURTHER STIPULATED AND AGREED
14 that the within deposition may be sworn to
15 and signed before any officer authorized to
16 administer an oath, with the same force and
17 effect as if signed and sworn to before the
18 Court.
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1 FELDER

2 ERIC JONATHAN FELDER,

3 called as a witness by the parties,
4 having been duly sworn, testified as
5 follows:

6 MR. CARDEN: Good morning, Mr. Felder.
7 My name is David Carden. I represent the
8 estate of Lehman Brothers, and I think what
9 we ought to do is go around the table and
10 have everybody identify who they are before
11 we begin, and then, Jack, you have a
12 statement, right?

13 MR. STERN: Yes.

14 MR. CARDEN: I already introduced
15 myself. My colleague, Kelly Carrero and
16 Jennifer Del Medico.

17 MR. ANKALKOTI: My name is Rajesh
18 Ankalkoti. I am with Alvarez & Marsal.

19 MS. TAGGART: I'm Erica Taggart with
20 Quinn, Emanuel, Urquhart, Oliver & Hedges,
21 LLP, for the creditors committee.

22 MR. MAGUIRE: Bill Maguire and Neil
23 Oxford from Hughes, Hubbard & Reed for the
24 trustee.

25 MR. BYMAN: Robert Byman, Jenner &

1 FELDER

2 Block, on behalf of the examiner.

3 MS. SUH: Julie Suh with Debevoise &
4 Plimpton on behalf of the witness.

5 MR. CERESNY: Andrew Ceresney from
6 Debevoise representing Mr. Felder
7 personally.

8 MR. STERN: Jack Stern, Boies,
9 Schiller & Flexner on behalf of Barclays
10 Capital and Mr. Felder.

11 Before we begin the questioning, I
12 just want to state on the record, to avoid
13 time-consuming discussions of
14 confidentiality, we have a confidentiality
15 order in place. What I would like to do is
16 make a general designation of, anything in
17 the record that should be treated as highly
18 confidential or confidential under the terms
19 of the confidentiality order will be so
20 designated automatically, and more
21 specifically, to the extent that there are
22 questions concerning Mr. Felder's personal
23 compensation, those are deemed highly
24 confidential under the confidentiality
25 order.

1 FELDER

2 MR. CARDEN: I don't think I have a
3 problem with that. I am wondering what you
4 think the mechanism ought to be for those
5 aspects which are not highly confidential
6 and confidential, sort of getting out from
7 underneath that designation?

8 MR. STERN: I think the best way for
9 us to deal with that is to address that
10 after the deposition off the record.

11 MR. CARDEN: Anybody have any issues
12 with that?

13 MR. MAGUIRE: Everything is considered
14 highly confidential until anybody sees the
15 need --

16 MR. CARDEN: I think Jack is concerned
17 that we don't slow things down. So long as
18 we have a mechanism that, and we can contest
19 the highly confidential designations in any
20 event, so long as we have a designation to
21 get out from underneath that rubric that is
22 not cumbersome, and so long as I have your
23 representation that all this is doing is to
24 sort of accommodate the speed of the
25 deposition and we will deal with this in

1 FELDER

2 good faith thereafter, I don't have a
3 serious problem with it.

4 Does anyone else?

5 MS. TAGGART: I don't have an
6 objection, although it would be helpful if
7 you would, right after the deposition, say
8 the parts you thought were confidential and
9 highly confidential, then we can deal with
10 it elsewhere. It might be good to have that
11 specific.

12 MR. STERN: Understood.

13 MR. CARDEN: Maybe just to give it a
14 little rigor, unless there is some
15 particular cause for doing it otherwise,
16 shall we say sometime within a week you will
17 have written, having the page numbers of the
18 depositions and the exhibits and the like,
19 and designate what you think ought to be
20 highly confidential and confidential.
21 Therefore, we have a kind of a program, if
22 you will.

23 MR. STERN: I think that is fair, and
24 I think what Bill said makes sense as a
25 practical matter; designate the entire

1 FELDER

2 transcript as highly confidential, and
3 within a week, we will dedesignate as
4 appropriate under the order.

5 EXAMINATION BY

6 MR. CARDEN:

7 Q. Good morning, Mr. Felder.

8 A. Good morning.

9 Q. You are currently employed by
10 Barclays, correct?

11 A. Correct.

12 Q. What is your current position, sir?

13 A. I'm the head of global credit trading.

14 Q. And how long have you held that
15 position?

16 A. Since September '08.

17 Q. And as head of global trading, just
18 generally speaking, what are your
19 responsibilities?

20 A. Responsible for secondary trading of
21 cash corporate bonds, credit default swaps, loans,
22 and the municipal securities business rolls into
23 credit.

24 Q. Prior to being employed by Barclays,
25 you were cohead of fixed income at Lehman

1 FELDER

2 Brothers, correct?

3 A. Correct.

4 Q. Starting on September 9 or thereabouts
5 of 2008?

6 A. I believe it was September 8.

7 Q. I am sorry, I meant that -- that's
8 exactly what I meant to say actually.

9 Prior to that, what was your -- what
10 was your previous title and job?

11 A. I was global head of global credit
12 products, since June of '08.

13 Q. And in that position, what were your
14 responsibilities?

15 A. The businesses that rolled up into
16 global credit products were high-grade, high-yield
17 CDOs, municipals, and the credit portion of
18 emerging markets, the corporate credit portion of
19 emerging markets.

20 Q. In connection with your
21 responsibilities as global head of credit
22 products, did you have any responsibilities of any
23 kind with regard to repos?

24 A. No.

25 Q. And when you took over as head of

1 FELDER

2 fixed income on September 8, 2008, what were your
3 responsibilities?

4 A. They were never specifically told to
5 me.

6 Q. Did you have an understanding as to
7 what they were to be?

8 A. We had -- I had a brief conversation
9 with Mike Gelband, with Hyung Lee, who is my
10 cohead, about how the portfolio would be split up
11 between the two of us in a normal business
12 environment, and I was going to be responsible
13 for -- or focus on the credit portion and the
14 mortgage portion, and then Hyung would focus on FX
15 and commodities and more focus outside of the U.S.
16 with my focus in the U.S., because he came from
17 Asia.

18 Q. I would like you to tell me what you
19 consider to have been in the fixed income area at
20 Lehman Brothers as of the time that you had that
21 conversation.

22 A. In fixed income, you would have had
23 rates, commodities, foreign exchange, credit,
24 mortgages, emerging markets, and financing would
25 have been part of fixed income, or it might have

1 FELDER

2 been a JV with equity. I don't know exactly how
3 it was set up because you obviously finance more
4 than just fixed-income product. And commercial
5 real estate.

6 Q. I'm just going to read you a list of
7 asset classes and if you tell me whether you
8 consider them to have been in the fixed income
9 area at Lehman as of September 2008. All right?
10 And I'm just reading now what legends I have been
11 given, so these might not be completely fulsome.

12 CDs and other money market
13 instruments?

14 A. Yes.

15 Q. Total -- corporate obligations and
16 spot?

17 A. I don't know what that means.

18 Q. OK. Corporate stocks and options?

19 A. No.

20 Q. Derivatives and other -- and it is cut
21 off so I can't -- it would have been some
22 derivative products.

23 A. There would have been some, yeah.

24 Q. Some. OK.

25 Governments and agencies would have

1 FELDER

2 been a fixed income, correct?

3 A. Correct.

4 Q. Mortgages and -- any mortgage-backed
5 securities would have been as well, correct?

6 A. Correct.

7 Q. Now, when you had the conversation
8 concerning how to divide the fixed income
9 portfolio, was it -- it was divided along product
10 lines or asset classes as well as geography?

11 A. That was the initial intention. It
12 was -- nothing was ever put into --

13 Q. It never functioned?

14 A. Because, you know, that week was
15 the -- when the firm ultimately went under.

16 Q. Let's talk about that week. We are
17 now talking about the week of -- I brought a
18 calendar so we have a, as I said before, a prop.
19 Why don't you avail yourself of it as you wish. I
20 don't see any need to mark it. The dates are what
21 they are from time immemorial to the end of time.

22 You were made the head of fixed income
23 on Monday, the 8th of September, correct?

24 A. Correct.

25 (The Following portions have been removed due to their

Confidentiality designations:

Page 14, Line 25 through Page 38, Line 14 (Confidential);

Page 38, Line 15 through Page 74, Line 10 (Highly Confidential);

Page 74, Line 11 through Page 76, Line 19 (Confidential);

Page 76, Line 20 through Page 79, Line 5 (Highly Confidential);

Page 79, Line 8 through Page 81, Line 23 (Confidential);

Page 81, Line 24 through Page 103, Line 20 (Highly Confidential);

Page 104, Line 3 through Page 108, Line 22 (Confidential);

Page 108, Line 23 through Page 117, Line 13 (Highly Confidential);

Page 118, Line 15 through Page 132, Line 23 (Highly Confidential).

(The transcript resumes on Pg. 103, line 21)

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MR. CARDEN: I'm done.

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1 FELDER

2 EXAMINATION BY

3 MS. TAGGART:

4 (The Following portions have been removed due to their

5 Confidentiality designations

6 Page 104, Line 4 through Page 108, Line 22 (Confidential);

7 Page 108, Line 23 through Page 117, Line 13 (Highly Confidential);

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20 (Transcript is continued on Pg. 117, Line 14)
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MS. TAGGART: I don't have any more questions.

MR. MAGUIRE: Mr. Felder, I don't have any questions for you. I would make a request of your Barclays counsel that with respect to Exhibit 11, which I believe you were provided with, that makes a reference to a Barclays lawyer coming in and making an explanation. I believe that's in the context of the hearing, the proceedings associated with the bankruptcy court hearing on September 19. I would ask that Barclays

1 FELDER

2 provide us with the record of that
3 explanation.

4 MR. STERN: Are you suggesting there
5 is something other than the transcript of
6 the hearing?

7 MR. MAGUIRE: If there is nothing
8 other than the transcript, if you could
9 confirm that, that would be fine. If there
10 is anything other than the transcript, if
11 you could provide us with the record.

12 MR. STERN: Sure, we will definitely
13 look into that.

14 MR. MAGUIRE: Thank you.

15 (The Following portions has been removed due to it's

16 Highly Confidential Designation)

17 Page 118, Line 15 through Page 132, Line 23 (Highly Confidential)

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21 (The Transcript is continued on Pg. 132, Line 24)

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Q. OK, thank you, sir.

25

1 FELDER

2 EXAMINATION BY

3 MS. TAGGART:

4 Q. I will ask a couple of follow-up
5 questions to this.

6 When you talk about the traders are
7 the ones who put together marks, do they do that
8 on a routine basis?

9 A. They mark their books every day.

10 Q. And what's involved in marking the
11 books every day?

12 A. For what type of a trader?

13 Q. It varies from trade to trade? Let me
14 ask this: Where do they put the information on a
15 daily basis, or did they at this time?

16 A. Whatever the front office system of
17 that asset class is would be where the marks would
18 be put in.

19 Q. When you say a front office system,
20 are you talking about a computerized database?

21 A. An application. There were different
22 applications for different products, that would
23 all feed into the middle office or the back office
24 of the firm. So depending on what the product
25 was, whatever system that was used would be the --

1 FELDER

2 would be -- that is where they would put the
3 prices into.

4 Q. When you talk about a system, a
5 computerized system?

6 A. Computerized system.

7 Q. So every day traders would be entering
8 marks for the securities that they were involved
9 in on some sort of computer system; is that
10 correct?

11 A. To my knowledge, that -- a computer
12 system was used in the products I knew.

13 Q. Did you ever personally access on a
14 computer system daily marks?

15 A. In risk systems, you can see -- you
16 can see the marks of securities.

17 Q. How do you see them?

18 A. On the computer screen.

19 Q. Did the computer screen -- is there a
20 database that you remember, a name of a database
21 where you personally could go and access daily
22 marks?

23 A. In -- within credit, our main risk
24 system was called ICE, I-C-E. And that
25 consolidated the derivative systems and the cash

1 FELDER

2 systems.

3 Q. Did marks ever change from the close
4 of the market on Friday to the opening of the
5 market on Mondays?

6 A. From the close on a Friday to the open
7 on a Monday?

8 Q. Yes.

9 A. I don't think you could do -- I don't
10 think the system would let you -- you can get an
11 end-of-day mark, and then I don't think you could
12 go in and change -- as far as I know, you couldn't
13 go in and change a mark once it was committed for
14 that day until the mark for the next day.

15 Q. In particular on the weekend of
16 September 19 -- from the close of the market on
17 September 19 to the opening of the market on
18 September 22, would there be any reason for any of
19 the marks from the credit business to change over
20 that weekend?

21 A. Not that I would be aware of.

22 Q. OK, that is all.

23 - - - -
24
25

1 FELDER

2 EXAMINATION BY

3 MR. BYMAN:

4 Q. I apologize. Every time somebody asks
5 a question, somebody else thinks of another
6 question.

7 When the traders do their marks, and I
8 understand, I think, that process, is there any
9 other group such as the product control group that
10 does an independent analysis of where they think
11 certain assets should be valued?

12 A. That would be done monthly, and there
13 would be variance reports. I only know this
14 specifically within credit because I hadn't gone
15 through that process in the other asset classes.
16 So within credit, we had a monthly variance
17 meeting with product control to go through any
18 positions that they felt -- they got external data
19 from third parties and they compared the marks to
20 that external data, and then the desk heads would
21 sit down with product control, and then ultimately
22 I would sit down to make sure that the business
23 was properly marked from the product control --
24 from a -- essentially a third party's perspective.

25 Q. So I want to make sure that I

1 FELDER

2 understand the process then. So on a daily basis,
3 the traders would mark the assets that they were
4 responsible for. On a monthly basis, product
5 control would do its own evaluation. To the
6 extent there was a variance, it would escalate to
7 you, and you would decide who was right or whether
8 it was someplace in the middle?

9 A. No. The product controllers
10 ultimately had the -- you couldn't overrule a
11 product controller because they had the
12 third-party data. So if they said this, this is
13 off, then the book just got marked down by where
14 it was.

15 If there was a situation where -- if
16 there was a situation where there was other data
17 in the market that the product controllers didn't
18 have, for example, then --

19 Q. You would reason with them, but you
20 couldn't overrule them?

21 A. Right. That was my experience within
22 credit.

23 Q. And so far as you know, is that the
24 same system that other businesses use within
25 Lehman?

1 FELDER

2 A. I don't know.

3 Q. How close to this monthly review by
4 the product controllers would you do your sit down
5 to look at the variance reports? Would that be
6 done within a day or two?

7 A. It would usually take them a week or
8 two to put it all together.

9 MR. BYMAN: OK, thanks.

10 MS. TAGGART: I do have another.

11 EXAMINATION BY

12 MS. TAGGART:

13 Q. Just who are the product controllers
14 that were at Lehman doing this process, the
15 monthly evaluation, prior to the sale? That you
16 know of.

17 A. I just know Gilles within credit.
18 There is a whole product control function, and
19 they were set up by asset class, so I would assume
20 that there are product controllers for each asset
21 class.

22 Q. OK.

23 MR. CARDEN: We have given you the
24 gift of time, Mr. Felder.

25 THE WITNESS: I sincerely appreciate

1 FELDER

2 it.

3 (Time Noted: 1:05 p.m.)

4
5 _____
6 ERIC JONATHAN FELDER

7 Subscribed and sworn to
8 before me this day
9 of July, 2009.

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FELDER

INDEX:

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1 FELDER

2
3 CERTIFICATE

4 STATE OF NEW YORK)

5)ss:

6 COUNTY OF NEW YORK)

7 I, MARY F. BOWMAN, a Registered
8 Professional Reporter, Certified Realtime
9 Reporter, and Notary Public within and for
10 the State of New York, do hereby certify:

11 That ERIC JONATHAN FELDER, the witness
12 whose deposition is hereinbefore set forth,
13 was duly sworn by me and that such
14 deposition is a true record of the testimony
15 given by such witness.

16 I further certify that I am not
17 related to any of the parties to this action
18 by blood or marriage and that I am in no way
19 interested in the outcome of this matter.

20 In witness whereof, I have hereunto
21 set my hand this 31st day of July, 2009.

22
23 _____
24 MARY F. BOWMAN, RPR, CRR
25

FELDER

* * *ERRATA SHEET* * *

NAME OF CASE: In Re: Lehman Brothers

DATE OF DEPOSITION: 7/31/09

NAME OF WITNESS: ERIC JONATHAN FELDER

Reason codes:

1. To clarify the record.

2. To conform to the facts.

3. To correct transcription errors.

Page ____ Line ____ Reason____

From _____ to_____

Page ____ Line ____ Reason____

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Page ____ Line ____ Reason____

From _____ to_____

ERIC JONATHAN FELDER

A. 11

1
2 UNITED STATES BANKRUPTCY COURT
3 SOUTHERN DISTRICT OF NEW YORK
4

5 In re:)
6 LEHMAN BROTHERS) Chapter 11
7 HOLDINGS, INC., et al.,) Case No. 08-13555(JMP)
8 Debtors.)
-----)
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15 DEPOSITION OF
16 DANIEL JOSEPH FLEMING
17 New York, New York
18 Friday, August 28, 2009
19
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21
22

23 Reported by:
24 KRISTIN KOCH, RPR, RMR, CRR, CLR
25 JOB NO. 24123

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August 28, 2009

9:28 a.m.

Deposition of DANIEL JOSEPH FLEMING, held at the offices
of JONES DAY, LLP, 222 East 41st Street,
New York, New York, before Kristin Koch, a
Registered Professional Reporter,
Registered Merit Reporter, Certified
Realtime Reporter, Certified Livenote
Reporter and Notary Public of the State of
New York.

A P P E A R A N C E S:

JONES DAY, LLP

Attorneys for Lehman Brothers, Inc.

222 East 41st Street

New York, New York 10017-6702

BY: BART GREEN, ESQ.

KELLY A. CARRERO, ESQ.

BOIES, SCHILLER & FLEXNER, LLP

Attorneys for Barclays and Daniel Joseph
Fleming

333 Main Street

Armonk, New York 10504

BY: CHRISTOPHER M. GREEN, ESQ.

QUINN EMANUEL URQUHART OLIVER & HEDGES LLP

Attorneys for Creditors Committee

865 South Figueroa Street - 10th floor

Los Angeles, California 90017

BY: TYLER WHITMER, ESQ. (Via telephone)

A P P E A R A N C E S: (Continued)

JENNER & BLOCK LLP

Attorneys for Examiner

330 North Wabash Avenue

Chicago, Illinois 60611-7603

BY: VINCENT LAZAR, ESQ.

HUGHES HUBBARD & REED LLP

Attorneys for SIPA Trustee

One Battery Park Plaza

New York, New York 10004-1482

BY: SETH D. ROTHMAN, ESQ.

AMINA HASSAN, ESQ.

ALSO PRESENT:

PHIL KRUSE, Alvarez & Marsal

1
2 IT IS HEREBY STIPULATED AND AGREED
3 by and between the attorneys for the
4 respective parties herein, that filing and
5 sealing be and the same are hereby waived.

6 IT IS FURTHER STIPULATED AND AGREED
7 that all objections, except as to the form
8 of the question, shall be reserved to the
9 time of the trial.

10 IT IS FURTHER STIPULATED AND AGREED
11 that the within deposition may be sworn to
12 and signed before any officer authorized
13 to administer an oath, with the same
14 force and effect as if signed and sworn
15 to before the Court.

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1
2 D A N I E L J O S E P H F L E M I N G ,
3 called as a witness, having been duly sworn
4 by a Notary Public, was examined and
5 testified as follows:

6 EXAMINATION BY

7 MS. CARRERO:

8 Q. Good morning, Mr. Fleming. My name
9 is Kelly Carrero. I am with Jones Day. We are
10 special counsel to the estate of Lehman
11 Brothers Holding, Inc. With me is my
12 colleague, Bart Green, and I will have everyone
13 else in the room introduce themselves on the
14 record.

15 MR. ROTHMAN: Seth Rothman, Hughes
16 Hubbard & Reed. We represent the SIPA
17 trustee.

18 MS. HASSAN: Amina Hassan, Hughes,
19 Hubbard & Reed.

20 MR. LAZAR: Vince Lazar from
21 Jenner & Block. We represent the Examiner
22 appointed in the Lehman Brothers case.

23 MR. KRUSE: Phil Kruse with
24 Alvarez & Marsal on behalf of LBHI.

25 MR. C. GREEN: Christopher Green

1 Fleming

2 with Boies, Schiller & Flexner on behalf of
3 Barclays Capital and the witness.

4 BY MS. CARRERO:

5 Q. Mr. Fleming, have you been deposed
6 before?

7 A. No.

8 Q. Then I will go over some background
9 rules, housekeeping. It will go easier and
10 smoother if when I ask a question you let me
11 finish the question before you start your
12 response and if you will give verbal answers
13 rather than any nods of the head so that the
14 court reporter can take down every word that
15 you say.

16 If you need to take a break, if you
17 can wait until we find a reasonable place to
18 stop, just let me know, let your counsel know
19 and we will work with each other.

20 A. Okay.

21 Q. So if we could start with some
22 background information in terms of education,
23 work experience. Let's start with your
24 educational experience.

25 A. Education, I attended the University

1 Fleming

2 of Hartford and St. John's University for
3 approximately two and a half years. Did not
4 graduate. In terms of work experience, would
5 you like me to start backwards?

6 Q. Start with your earliest work
7 experience after you finished at University of
8 Hartford and St. John's.

9 A. First employment was with EF Hutton
10 working in the mortgage-backed security
11 accounting group.

12 I subsequently was hired by Shearson
13 Lehman Hutton, moved into their regulatory
14 group for a short period.

15 I subsequently left and joined, I
16 believe, what was Chemical Bank, again, working
17 in mortgage-backed security accounting.

18 Subsequent to that I left the
19 industry and worked out of industry as a
20 controller for a wholesale distributor out on
21 Long Island.

22 Then I came back into the industry.
23 I worked for a firm named East Bridge Capital
24 and East Bridge Asset Management, which was --
25 East Bridge Capital was a primary dealer owned

1 Fleming

2 by Nippon Credit Bank. In that space I worked
3 in accounting for both the broker/dealer and
4 for the asset management business.

5 Subsequent to that I worked at DE
6 Shaw for a short while in their operations
7 accounting group.

8 And then I moved over to Lehman
9 Brothers in and around 1998 where I joined the
10 cash and collateral management team in New York
11 reporting in to at the time the U.S. head of
12 cash and collateral management.

13 I subsequently took over the role of
14 U.S. head of cash and collateral management.

15 Subsequent to that I was --

16 Q. I'm sorry, if I could stop you
17 there. What year are we talking that you
18 became U.S. head of cash and collateral
19 management?

20 A. 2001, 2002, thereabouts.

21 (The following portions have been removed due to their
22 Confidentiality designations:

23 Page 9, Line 21 through Page 34, Line 16 (Confidential);

24 Page 34, Line 17 through Page 78, Line 9 (Highly Confidential);

25 Page 78, Line 10 through Page 80, Line 10 (Confidential);

1 Page 80, Line 11 through Page 156, Line 13 (Highly Confidential);
2 Page 156, Line 14 through Page 163, Line 7 (Confidential); and
3 Page 163, Line 8 through Page 209, Line 12 (Highly Confidential).
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14 (Transcript continued on Pg. 209, Line 13)
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(Time noted: 5:57 p.m.)

DANIEL JOSEPH FLEMING

Subscribed and sworn to before me
this day of 2009.

C E R T I F I C A T E

STATE OF NEW YORK)

) SS.:

COUNTY OF NASSAU)

I, KRISTIN KOCH, a Notary Public
within and for the State of New York, do
hereby certify:

That DANIEL JOSEPH FLEMING, the witness whose deposition is hereinbefore set forth, was duly sworn by me and that such deposition is a true record of the testimony given by such witness.

I further certify that I am not related to any of the parties to this action by blood or marriage; and that I am in no way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto
set my hand this 28th day of August, 2009.

KRISTIN KOCH, RPR, RMR, CRR, CLR

-----I N D E X-----

WITNESS	EXAMINATION BY	PAGE
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	MR. ROTHMAN	156
	MR. C. GREEN	208

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ERRATA SHEET FOR THE TRANSCRIPT OF:

Case Name: In re: Lehman Brothers

Dep. Date: August 28, 2009

Deponent: Daniel Joseph Fleming

CORRECTIONS:

Pg.	Ln.	Now Reads	Should Read	Reason
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
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Signature of Deponent

SUBSCRIBED AND SWORN BEFORE ME

THIS ____ DAY OF _____, 2009.

(Notary Public) MY COMMISSION EXPIRES: _____

A. 12

1 J. HRASKA

2 UNITED STATES BANKRUPTCY COURT

3 SOUTHERN DISTRICT OF NEW YORK

4 -----X

5 In Re:

6 Chapter 11

7 LEHMAN BROTHERS

Case No. 08-13555(JMP)

8 HOLDINGS, INC., et al., (Jointly Administered)

9 Debtors.

10 -----X

11 DEPOSITION OF JAMES HRASKA

12 New York, New York

13 August 14, 2009

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22
23 Reported by:

24 KATHY S. KLEPFER, RMR, RPR, CRR, CLR

25 JOB NO. 24039

1 J. HRASKA

2 August 14, 2009

3 9:25 a.m.

4
5
6 Deposition of JAMES HRASKA, held at
7 Jones Day LLP, 222 East 41st Street,
8 New York, New York, before Kathy S.
9 Klepfer, a Registered Professional
10 Reporter, Registered Merit Reporter,
11 Certified Realtime Reporter, Certified
12 Livenote Reporter, and Notary Public
13 of the State of New York.
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1 J. HRASKA

2
3 A P P E A R A N C E S:
4

5 JONES DAY, LLP

6 Attorneys for Lehman Brothers, Inc.

7 222 East 41st Street

8 New York, New York 10017-6702

9 BY: WILLIAM J. HINE, ESQ.

10 GEORGE E. SPENCER, ESQ.
11

12 BOIES, SCHILLER & FLEXNER, LLP

13 Attorneys for Barclays and the Witness

14 5301 Wisconsin Avenue, N.W.

15 Washington, D.C. 20015

16 BY: JONATHAN M. SHAW, ESQ.
17

18 QUINN, EMANUEL, URQUHART, OLIVER & HEDGES, LLP

19 Attorneys for the Creditors Committee

20 51 Madison Avenue

21 22nd Floor

22 New York, New York 10010

23 BY: ERIC M. KAY, ESQ.
24
25

1 J. HRASKA

2
3 A P P E A R A N C E S: (Cont'd.)

4
5 JENNER & BLOCK, LLP

6 Attorneys for the Examiner

7 330 N. Wabash Avenue

8 Chicago, Illinois 60611-7603

9 BY: DAVID C. LAYDEN, ESQ.

10
11 HUGHES, HUBBARD & REED, LLP

12 Attorneys for the SIPA Trustee

13 One Battery Park Plaza

14 New York, New York 10004

15 BY: NEIL J. OXFORD, ESQ.

16 AMINA HASSAN, ESQ.

17
18
19 Also Present:

20 RAJESH ANKALKOTI, Alvarez & Marsal

1 J. HRASKA

2 JAMES HRASKA, called as a
3 witness, having been duly sworn by a Notary
4 Public, was examined and testified as
5 follows:

6 EXAMINATION BY

7 MR. HINE:

8 Q. Good morning, Mr. Hraska.

9 A. Good morning.

10 Q. We met just briefly before the
11 deposition. My name is Bill Hine. I'm from the
12 firm of Jones Day and we are special counsel to
13 Lehman Brothers Holdings, Inc., in connection
14 with the pending bankruptcy proceeding. And so
15 your deposition is being taken today pursuant to
16 that discovery that we're taking in that case.

17 There's several other counsel around
18 the table who will introduce themselves as they
19 get up to take turns questioning.

20 Have you ever had a deposition taken
21 before?

22 A. I have not.

23 Q. So, just by way of a little ground
24 rules, I'm going to ask you a bunch of
25 questions. You're under oath. You're going to

1 J. HRASKA

2 answer the questions.

3 On occasion, your counsel will state
4 an objection or, you know, make some kind of
5 objection for the record. That doesn't relieve
6 you of the obligation to answer the question.
7 It's just him trying to either correct a portion
8 of my question or preserve an objection.

9 In that regard, throughout the day, I
10 am undoubtedly going to a misuse a word or some
11 kind of acronym or some technical term that you
12 folks use every day in your line of business
13 which I'm not as familiar with as you are,
14 obviously, so please correct me if I misuse a
15 word or I ask a question that's misleading in
16 any way or you just don't understand the
17 question because I would like to ask a clear
18 question so you can answer it.

19 Is that okay?

20 A. That's fine. Thank you.

21 MR. SHAW: Just before we begin,
22 again, I want to put on the record our
23 understanding that we will designate the
24 entire transcript highly confidential and
25 then we'll go back and redesignate.

1 J. HRASKA

2 MR. HINE: Yes. That's true. That's
3 fine.

4 Q. One other thing before we get started,
5 Mr. Hraska. I imagine you're aware that you've
6 been designated as what's called a 30(b)(6)
7 witness by your employer, by Barclays, as to
8 particular topics, and they relate to Schedules
9 A and B which we'll discuss later. So when we
10 get to that portion of the deposition, I'll let
11 you know and we'll treat that portion as a
12 30(b)(6) deposition, but I'll let you know as we
13 get there.

14 MR. SHAW: Just so we're, again,
15 clear, Bill, as I think you know, he is one
16 of several witnesses who's been designated
17 as partially responsive to those particular
18 topics.

19 MR. HINE: I understand.

20 Q. So, unless you have any questions, we
21 can get started.

22 A. No, I'm fine.

23 Q. Okay. Can we just review briefly your
24 employment history with Lehman? What was the
25 last position you held at Lehman? I'm talking

1 J. HRASKA

2 about in the period of September 2008.

3 A. I was senior vice president from a
4 corporate title perspective and I managed the
5 Secured Financing Operations Group.

6 Q. And can you just describe for me what
7 that means? What were your responsibilities and
8 duties in that position?

9 A. The Financing Operations, also known
10 as a financing middle office, is a group that
11 sits between a bunch of groups, but primarily
12 trading and sales individuals and clearance and
13 settlements folks, and we do tasks such as, you
14 know, monitoring positions, reconciling
15 differences, dealing with, you know, customer,
16 you know, concerns, bringing the attention of
17 customers' concerns to either sales staff or
18 trading staff.

19 We also deal with legal and compliance
20 and regulatory on certain matters. If there
21 are, you know, questions or queries as to the
22 nature of the transactions, if somebody needs
23 some technical expertise on, we usually provide
24 that expertise as to the structure of the
25 transactions and things like that.

1 J. HRASKA

2 Q. And who did you report to in that
3 position?

4 A. At Lehman Brothers at the time, I was
5 reporting to Monty Forrest.

6 Q. Did you report directly to anyone
7 else?

8 A. No, under that structure I was a
9 direct report of Monty Forrest.

10 Q. And who were your direct reports?

11 A. My direct reports now or at the time?

12 Q. At the time in September of 2008.

13 A. Okay, my direct reports in the U.S.
14 were Nancy Denig, D-E-N-I-G, and Paul Lindner.

15 Q. Prior to this position -- or, let me
16 ask you another question. How long were you in
17 this senior vice president position?

18 A. Approximately five to six years. I
19 don't remember the exact date, actually. I
20 don't remember the exact date when I got my
21 senior vice presidentship.

22 Q. Okay. How long had you been in the
23 position of managing the secured financing?

24 A. It began in 2001, but it began in a
25 much smaller scale. I only managed a portion of

1 J. HRASKA

2 it and over time it grew into a larger and
3 larger responsibility. At the point of
4 September, I was managing both equity and fixed
5 income. I was managing that globally as well.

6 Q. Okay. When did you join Lehman?

7 A. August of '93.

8 Q. So you held this management position
9 since 2001, you said?

10 A. That particular one related to
11 Financing Operations since 2001, yes.

12 Q. What did you do before that at Lehman?

13 A. I did a host of different roles, all
14 in derivatives-based. I worked in Derivative
15 Settlements, I worked in Derivatives Middle
16 Office, and I also worked in a Structured
17 Products and Reinsurance Middle Office as well.

18 Q. Okay:

19 A. And over the period of time I also
20 held management positions in those roles as
21 well.

22 Q. When you say middle office, could you
23 just tell me what that means?

24 A. Middle office is similar to the way I
25 described it before for financing, only it was

1 J. HRASKA

2 for derivative-related products. So same types
3 of trader inquiries, sales inquiries, customer
4 resolutions to problems, things like that.

5 (The following portions have been removed due to their
6 Confidentiality designations:

7 Page 11, Line 5 through Page 21, Line 19 (Highly Confidential);

8 Page 21, Line 20 through Page 32, Line 4 (Confidential);

9 Page 32, Line 5 through Page 88, Line 14 (Highly Confidential);

10 Page 88, Line 15 through Page 91, Line 15 (Confidential);

11 Page 91, Line 16 through Page 148, Line 4 (Highly Confidential);

12 Page 148, Line 5 through Page 156, Line 15 (Confidential); and

13 Page 156, Line 16 through Page 321, Line 15 (Highly Confidential).

14
15 The Transcript is continued on Page 321, Line 16)

1 J. HRASKA
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16 (Time Noted: 5:53 P.M.)
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20 _____
21 JAMES HRASKA
22

23 Subscribed and sworn to
24 before me this day
25 of 2009.

1
2 J. HRASKA

3 CERTIFICATE

4 STATE OF NEW YORK)

: ss

5 COUNTY OF NEW YORK)

6 I, Kathy S. Klepfer, a Registered
7 Merit Reporter and Notary Public within and
8 for the State of New York, do hereby
9 certify:

10 That JAMES HRASKA, the witness whose
11 deposition is herein before set forth, was
12 duly sworn by me and that such deposition is
13 a true record of the testimony given by such
14 witness.

15 I further certify that I am not
16 related to any of the parties to this action
17 by blood or marriage and that I am in no way
18 interested in the outcome of this matter.

19 I further certify that neither the
20 deponent nor a party requested a review of
21 the transcript pursuant to Federal Rule of
22 Civil Procedure 30(e) before the deposition
23 was completed.

24 In witness whereof, I have hereunto
25 set my hand this 14th day of August, 2009.

KATHY S. KLEPFER, RPR, RMR, CRR, CLR

J. HRASKA

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J. HRASKA

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Gottlieb Stein & Hamilton is James Kobak

at Hughes Hubbard dated October 6, 2009

J. HRASKA

NAME OF CASE: In re Lehman Brothers

DATE OF DEPOSITION: August 14, 2009

NAME OF WITNESS: James Hraska

Reason Codes:

1. To clarify the record.

2. To conform to the facts.

3. To correct transcription errors.

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JAMES HRASKA

A. 13

1
2 UNITED STATES BANKRUPTCY COURT
3 SOUTHERN DISTRICT OF NEW YORK

4 -----x

In Re: Chapter 11
5 LEHMAN BROTHERS Case No. 08-13555 (JMP)
HOLDINGS, INC., et al., (Jointly Administered)
6 -----)

7
8
9 DEPOSITION OF MIKE KEEGAN
10 New York, New York
11 Friday, August 28, 2009
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20 Reported by:
FRANCIS X. FREDERICK, CSR, RPR, RMR
21 JOB NO. 24379
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5 August 28, 2009

6 8:46 a.m.
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10 Deposition of MIKE KEEGAN, held at the offices of
11 Jones Day, 222 East 41st Street, New
12 York, New York, pursuant to Notice,
13 before Francis X. Frederick, a Certified
14 Shorthand Reporter, Registered Merit
15 Reporter and Notary Public of the States
16 of New York and New Jersey.
17
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A P P E A R A N C E S:

JONES DAY, LLP

Attorneys for Lehman Brothers, Inc.

222 East 41st Street

New York, New York 10017-6702

BY: JAYANT W. TAMBE, ESQ.

TERRY McMAHON, ESQ.

BOIES SCHILLER & FLEXNER, LLP

Attorneys for Barclays Capital

575 Lexington Avenue - 7th Floor

New York, New York 10022

BY: JACK G. STERN, ESQ.

HUGHES, HUBBARD & REED, LLP

Attorneys for the SIPA Trustee

1175 I Street, N.W.

Washington, D.C. 20006-2401

BY: JOHN F. WOOD, ESQ.

FARA TABATABAI, ESQ.

1
2 A P P E A R A N C E S: (Cont'd.)

3 JENNER & BLOCK, LLC

4 Attorneys for the Examiner

5 330 N. Wabash Avenue

6 Chicago, Illinois 60611-7603

7 BY: DAVID C. LAYDEN, ESQ.

8
9 QUINN, EMANUEL, URQUHART, OLIVER &

10 HEDGES, LLP

11 Attorneys for the Creditors Committee

12 51 Madison Avenue - 22nd Floor

13 New York, New York 10010

14 BY: ROBERT K. DAKIS, ESQ.

15
16
17 ALSO PRESENT:

18 RAJESH ANKALKOTI, Alvarez & Marsal

19

20

21

22

23

24

25

1 M. KEEGAN

2 M I K E K E E G A N, called as a witness,
3 having been duly sworn by a Notary
4 Public, was examined and testified as
5 follows:

6 EXAMINATION BY

7 MR. TAMBE:

8 Q. Good morning, Mr. Keegan. We've
9 met a few minutes ago. My name is Jay Tambe
10 and I'm one of the lawyers at Jones Day. We
11 are counsel -- special counsel to the Lehman
12 Brothers Holdings estate. With me is my
13 colleague, Terry McMahon. I'll have the other
14 lawyers who are sitting at the table introduce
15 themselves.

16 MR. WOOD: I'm John Wood from
17 Hughes Hubbard & Reed and we represent
18 the SIPA Trustee.

19 MS. TABATABAI: Fara Tabatabai
20 also with Hughes Hubbard & Reed.

21 THE WITNESS: Excuse me. I didn't
22 hear that.

23 MS. TABATABAI: Fara Tabatabai
24 from Hughes Hubbard & Reed.

25 MR. DAKIS: Robert Dakis from

1 M. KEEGAN

2 Quinn, Emanuel, Urquhart, Oliver &
3 Hedges for the Official Committee of
4 Unsecured Committee.

5 MR. LAYDEN: Good morning. David
6 Layden from Jenner & Block for the
7 Examiner.

8 BY MR. TAMBE:

9 (The following portions have been removed due to their
10 Confidentiality designations:

11 Page 6, Line 9 through Page 15, Line 13 (Confidential);

12 Page 15, Line 14 through Page 18, Line 4 (Highly Confidential);

13 Page 18, Line 5 through Page 28, Line 10 (Confidential);

14 Page 28, Line 11 through Page 84, Line 6 (Highly Confidential);

15 Page 84, Line 7 through Page 86, Line 19 (Confidential); and

16 Page 86, Line 20 through Page 148, Line 8 (Highly Confidential)).

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22 (Transcript continued on Pg. 148, Line 9)
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Off the record.

(Time Noted: 12:39 p.m.)

MIKE KEEGAN

Subscribed and sworn to before me
this ____ day of _____, 2009.

C E R T I F I C A T E

STATE OF NEW YORK)

: ss.

COUNTY OF NEW YORK)

I, FRANCIS X. FREDERICK, a Notary
Public within and for the State of New
York, do hereby certify:

That MIKE KEEGAN, the witness
whose deposition is hereinbefore set
forth, was duly sworn by me and that
such deposition is a true record of the
testimony given by the witness.

I further certify that I am not
related to any of the parties to this
action by blood or marriage, and that I
am in no way interested in the outcome
of this matter.

IN WITNESS WHEREOF, I have
hereunto set my hand this 28th day of
August, 2009.

FRANCIS X. FREDERICK

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RULINGS: NONE

TO BE FURNISHED: NONE

REQUESTS: NONE

MOTIONS: NONE

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NAME OF CASE: IN RE: LEHMAN BROTHERS

DATE OF DEPOSITION: AUGUST 28, 2009

NAME OF WITNESS: MIKE KEEGAN

Reason codes:

1. To clarify the record.
2. To conform to the facts.
3. To correct transcription errors.

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MIKE KEEGAN

A. 14

1 M. KELLY

2 UNITED STATES BANKRUPTCY COURT

3 SOUTHERN DISTRICT OF NEW YORK

4 -----X

5 In Re:

6 Chapter 11

7 LEHMAN BROTHERS

Case No. 08-13555(JMP)

8 HOLDINGS, INC., et al., (Jointly Administered)

9 Debtors.

10 -----X

11 DEPOSITION OF MARTIN KELLY

12 New York, New York

13 August 18, 2009

14 Reported by:

15 KATHY S. KLEPFER, RMR, RPR, CRR, CLR

16 JOB NO. 24042

1 M. KELLY

2 August 19, 2009

3 9:30 a.m.

4
5
6 Deposition of MARTIN KELLY, held at
7 Jones Day, LLP, 222 East 41st Street,
8 New York, New York, before Kathy S.
9 Klepfer, a Registered Professional
10 Reporter, Registered Merit Reporter,
11 Certified Realtime Reporter, Certified
12 Livenote Reporter, and Notary Public
13 of the State of New York.
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1 M. KELLY

2
3 A P P E A R A N C E S:

4 JONES DAY, LLP

5 Attorneys for Lehman Brothers, Inc.

6 222 East 41st Street

7 New York, New York 10017-6702

8 BY: ROBERT W. GAFFEY, ESQ.

9 DAVID L. CARDEN, ESQ.

10 BRIDGET CRAWFORD, ESQ.

11
12 WILLKIE, FARR & GALLAGHER, LLP

13 Attorneys for the Witness

14 1875 K Street, NW

15 Washington, D.C. 20006-1238

16 BY: RICHARD D. BERNSTEIN, ESQ.

17 - AND -

18 WILLKIE, FARR & GALLAGHER, LLP

19 787 Seventh Avenue

20 New York, New York 10019-6099

21 BY: KELLY M. HNATT, ESQ.

1 M. KELLY

2 A P P E A R A N C E S: (Cont'd.)

3 BOIES, SCHILLER & FLEXNER, LLP

4 Attorneys for Barclays Capital

5 5301 Wisconsin Avenue, NW

6 Suite 800

7 Washington, D.C. 20015

8 BY: HAMISH HUME, ESQ.

9
10 QUINN, EMANUEL, URQUHART, OLIVER & HEDGES, LLP

11 Attorneys for the Creditors Committee

12 865 S. Figueroa Street, 10th Floor

13 Los Angeles, California 90017

14 BY: ERICA P. TAGGART, ESQ.

15
16 JENNER & BLOCK, LLP

17 Attorneys for the Examiner

18 330 N. Wabash Avenue

19 Chicago, Illinois 60611-7603

20 BY: DAVID C. LAYDEN, ESQ.

1 M. KELLY

2 A P P E A R A N C E S: (Cont'd.)

3
4 HUGHES, HUBBARD & REED, LLP

5 Attorneys for the SIPA Trustee

6 One Battery Park Plaza

7 New York, New York 10004-1482

8 BY: NEIL J. OXFORD, ESQ.

9 FARA TABATABAI, ESQ.

10
11 Also Present:

12 RAJESH ANKALKOTI, Alvarez & Marsal

13 THOMAS E. HOMMEL, Lehman Brothers

1 M. KELLY

2 MARTIN KELLY, called as a
3 witness, having been duly sworn by a Notary
4 Public, was examined and testified as
5 follows:

6 EXAMINATION BY

7 MR. GAFFEY:

8 Q. Mr. Kelly, good morning. My name is
9 Bob Gaffey. We met briefly before. I'm with
10 Jones Day and we are special counsel to the
11 estate of Lehman Brothers Holdings, Inc., and as
12 you may know, probably know, we're looking into
13 certain matters concerning the transaction that
14 took place between Lehman and Barclays in
15 September of 2008.

16 Let me just start by getting a brief
17 description of your background, sir. Could you
18 tell me what your education is since high
19 school, after high school?

20 A. Sure. I have a undergraduate degree
21 in commerce with a major in accounting and
22 finance from the University of New South Wales
23 in Sidney, Australia. I have -- I'm an
24 associate of the Securities Institute of
25 Australia. I qualified as a chartered

1 M. KELLY

2 accountant in Australia, and I became a
3 certified practicing accountant in the United
4 States.

5 Q. When did you take your degree, your
6 first degree?

7 A. '88 would have been -- yeah, I
8 completed in '88.

9 Q. And other than as a chartered
10 accountant in Australia and a CPA in the United
11 States, have you taken any other professional
12 licenses?

13 A. Yes, I have. I've taken licenses
14 under the FINRA regulations, so Series 7, Series
15 24, Series 27, and I believe Series 63.

16 Q. And do you keep your license current
17 as a CPA?

18 A. No.

19 Q. And --

20 A. My licenses -- I keep my FINRA
21 licenses current.

22 Q. Your FINRA licenses are current, your
23 CPA is dormant, and what about the Australia
24 license; is that dormant or current?

25 A. I'm not sure, actually.

1 M. KELLY

2 (The following portions have been removed due to

3 their Confidentiality designations:

4 Page 8, Line 2 through Page 13, Line 13 (Confidential);

5 Page 13, Line 14 through Page 120, Line 20 (Highly Confidential);

6 Page 120, Line 21 through Page 125, Line 9 (Confidential);

7 Page 125, Line 10 through Page 251, Line 24 (Highly Confidential); and

8 Page 251, Line 25 through Page 254, Line 8 (Confidential)

9
10 The transcript is continued on Page 254, Line 9.)
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1 M. KELLY

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9 (Discussion off the record.)

10 (Time Noted: 5:49 P.M.)

11 oOo

12
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18 _____
MARTIN KELLY

19
20 Subscribed and sworn to
21 before me this day
22 of 2009.
23 _____
24
25

1 M. KELLY

2 CERTIFICATE

3 STATE OF NEW YORK)

4 : ss

5 COUNTY OF NEW YORK)

6 I, Kathy S. Klepfer, a Registered
7 Merit Reporter and Notary Public within and
8 for the State of New York, do hereby
9 certify:

10 That MARTIN KELLY, the witness whose
11 deposition is herein before set forth, was
12 duly sworn by me and that such deposition is
13 a true record of the testimony given by such
14 witness.

15 I further certify that I am not
16 related to any of the parties to this action
17 by blood or marriage and that I am in no way
18 interested in the outcome of this matter.

19 I further certify that neither the
20 deponent nor a party requested a review of
21 the transcript pursuant to Federal Rule of
22 Civil Procedure 30(e) before the deposition
23 was completed.

24 In witness whereof, I have hereunto
25 set my hand this 18th day of August, 2009.

M. KELLY

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financial schedule

M. KELLY

NAME OF CASE: In re Lehman Brothers

DATE OF DEPOSITION: August 18, 2009

NAME OF WITNESS: Martin Kelly

Reason Codes:

1. To clarify the record.
2. To conform to the facts.
3. To correct transcription errors.

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MARTIN KELLY

A. 15

1
2 UNITED STATES BANKRUPTCY COURT
3 SOUTHERN DISTRICT OF NEW YORK

4 -----x

5 In Re:

6 Chapter 11

7 LEHMAN BROTHERS Case No. 08-13555(JMP)

8 HOLDINGS, INC., et al, (Jointly Administered)

9 Debtors.

10 -----x

11
12
13 DEPOSITION OF STEPHEN KING

14 New York, New York

15 September 10, 2009

16
17 Reported by:

18 MARY F. BOWMAN, RPR, CRR

19 JOB NO. 24299
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September 10, 2009

9:35 a.m.

Deposition of STEPHEN KING held at
the offices of Jones Day, LLP, 222 East 41st
Street, New York, New York, before Mary F.
Bowman, a Registered Professional Reporter,
Certified Realtime Reporter, and Notary Public
of the State of New York.

APPEARANCES:

JONES DAY, LLP

Attorneys for Lehman Brothers, Inc.

222 East 41st Street

New York, New York 10017-6702

BY: WILLIAM HINE, ESQ.

GEORGE E. SPENCER, ESQ.

BOIES, SCHILLER & FLEXNER, LLP

Attorneys for Barclays and The Witness

575 Lexington Avenue

New York, New York 10022

BY: JACK STERN, ESQ.

QUINN, EMANUEL, URQUHART, OLIVER & HEDGES, LLP

Attorneys for the Creditors Committee

51 Madison Avenue

New York, New York 10010

BY: ROBERT K. DAKIS, ESQ.

APPEARANCES:

JENNER & BLOCK, LLC

Attorneys for the Examiner

330 N. Wabash Avenue

Chicago, Illinois 60611-7603

BY: DAVID C. LAYDEN, ESQ.

HUGHES, HUBBARD & REED, LLP

Attorneys for the SIPA Trustee

One Battery Park Plaza

New York, New York 10004-1482

BY: NEIL J. OXFORD, ESQ.

FARA TABATABAI, ESQ.

Also Present:

INGRID M. CHRISTIAN, Alvarez & Marsal

1
2
3
4
5 IT IS HEREBY STIPULATED AND AGREED, by
6 and between the attorneys for the respective
7 parties herein, that filing and sealing be
8 and the same are hereby waived.

9 IT IS FURTHER STIPULATED AND AGREED
10 that all objections, except as to the form
11 of the question, shall be reserved to the
12 time of the trial.

13
14
15 IT IS FURTHER STIPULATED AND AGREED
16 that the within deposition may be sworn to
17 and signed before any officer authorized to
18 administer an oath, with the same force and
19 effect as if signed and sworn to before the
20 Court.

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1 KING

2 (The entire transcript has been removed due to
3 it's Highly Confidential designation: Page 6, Line 2
4 through Page 288, Line 3)

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(Time noted: 5:52 p.m.)

STEPHEN KING

Subscribed and sworn to
before me this day
of September, 2009.

KING

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KING

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1 KING

2
3
4 CERTIFICATE

5 STATE OF NEW YORK)

6)ss:

7 COUNTY OF NEW YORK)

8 I, MARY F. BOWMAN, a Registered
9 Professional Reporter, Certified Realtime
10 Reporter, and Notary Public within and for
11 the State of New York, do hereby certify:

12 That STEPHEN KING, the witness whose
13 deposition is hereinbefore set forth, was
14 duly sworn by me and that such deposition is
15 a true record of the testimony given by such
16 witness.

17 I further certify that I am not
18 related to any of the parties to this action
19 by blood or marriage and that I am in no way
20 interested in the outcome of this matter.

21 In witness whereof, I have hereunto
22 set my hand this 10th day of September,
23 2009.
24
25

KING

* * *ERRATA SHEET* * *

NAME OF CASE: In Re: Lehman

DATE OF DEPOSITION: September 10, 2009

NAME OF WITNESS: STEPHEN KING

Reason codes:

1. To clarify the record.

2. To conform to the facts.

3. To correct transcription errors.

Page ____ Line ____ Reason____

From _____ to_____

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STEPHEN KING